



United States
Department of
Agriculture

USDA Rural Development *Missouri Program Fact Book*



*Partners in enhancing economic opportunity
and improving the quality of life in Rural Missouri*

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INTRODUCTION



ANITA J. (JANIE) DUNNING
STATE DIRECTOR

This booklet provides general information about USDA Rural Development in Missouri. It summarizes the many programs available to assist individuals and communities. In addition to the financial assistance

outlined, we provide technical assistance to individuals, organizations and rural communities.

USDA Rural Development (RD) has been proudly serving rural America for over 70 years. Our mission: To enhance economic opportunity and improve the quality of life in rural America. To accomplish the mission we offer housing programs, community programs, business programs, utility programs and cooperative programs.

Our programs consist of loans, loan guarantees and grants. Plus, we provide technical assistance in the areas of business, industry, community, economic and cooperative development along with rural housing, community facilities, water and waste disposal, electrification and telecommunications, including distance learning, broadband and telemedicine.

We have dedicated employees fulfilling the Rural Development mission area for Missouri. The Rural Development programs are delivered through our 4 Area Offices and 20 Sub-Area Offices. For the convenience of our clients and partners, appointments may also be made at virtually any location in Missouri. Attached is a map of Missouri RD's four (4) service areas. Also, attached is a listing of the Area and Sub Offices, including names, addresses and phone numbers.

Our employees are committed to serving rural Missouri. We are meeting the challenges by using a more strategic approach than in the past. We recognize the need to make the best and most efficient use of our skilled and committed staff. This requires investing our limited resources by leveraging our resources with the resources of other

organizations, both public and private. By working with other organizations and community leaders and being a catalyst for change, we can contribute to a more promising future for people throughout rural Missouri.

We work hard to forge more partnerships and leverage federal funds to the maximum to help as many individuals and communities as we possibly can. Our mission area allows Rural Development to be the catalyst to help communities to assess needs, analyze resources and work toward solutions. In these cases we bring our expertise in planning, financial management and technical assistance to the table to partner with others to help rural America.

As evidence of our commitment to rural Missouri, during Fiscal Year 2013 Rural Development staff delivered programs which reinvested \$962,173,795 of Missouri taxpayer money back in the state. Business program investments equaled \$37,728,335. Community program investments totaled \$89,271,829. Housing programs delivered \$690,167,631 of investment back to Missouri. Electric programs invested \$145,006,000.

These investments resulted in 243 agencies, businesses, cooperatives, districts, foundations, not-for-profits or organizations completing projects, retaining or creating jobs, providing utility services, increasing energy efficiency, protecting life and property, advancing education and improving quality of life. The housing investments meant 20,341 families and individuals had an affordable and decent place to call home.

We take our mission seriously and deliver programs to achieve our goals. We did enhance economic opportunity and improve the quality of life for residents of rural Missouri.

Thank you for the opportunity to share the vision of USDA Rural Development. We look forward to assisting you with the improvement of the quality of life in rural Missouri.

A handwritten signature in black ink that reads "Anita J. Dunning". The signature is fluid and cursive, with a large loop at the end.

MISSOURI RURAL DEVELOPMENT STATE OFFICE

601 Business Loop 70 West
Parkade Center, Suite 235
Columbia, MO 65203-2546
PHONE: 573-876-0976 TDD: 573-876-9480
FAX: 855-830-0685

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RURAL DEVELOPMENT WEBSITES

USDA Rural Development
<http://www.rurdev.usda.gov>

Missouri USDA Rural Development
<http://www.rurdev.usda.gov/mo>

Rural Utilities Service Main Page
http://www.rurdev.usda.gov/Utilities_LP.html

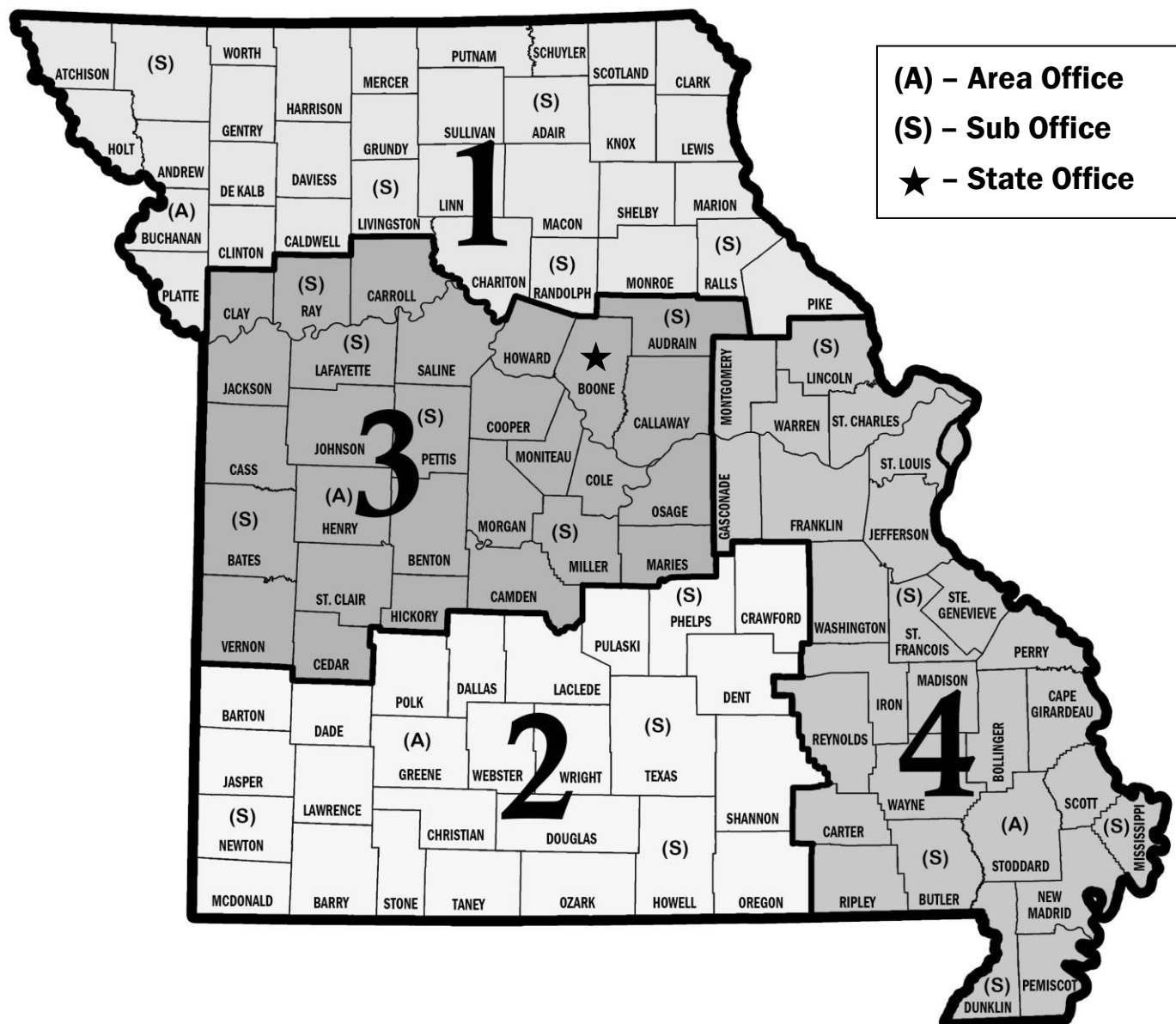
Rural Business-Cooperative Service Main Page
<http://www.rurdev.usda.gov/rbs/index.html>

Rural Housing Service Main Page
<http://www.rurdev.usda.gov/rhs/index.html>

GRH Lender Webpage:
<http://www.rurdev.usda.gov/MO-grhpage.html>

Missouri USDA Rural Development Twitter
http://www.twitter.com/RD_Missouri

USDA RURAL DEVELOPMENT MISSOURI OFFICES



MISSOURI RURAL DEVELOPMENT STATE OFFICE

601 Business Loop 70 West
 Parkade Center, Suite 235
 Columbia, MO 65203-2546

PHONE: 573-876-0976
 TDD: 573-876-9480
 FAX: 855-830-0685

USDA RURAL DEVELOPMENT MISSOURI OFFICES

AREA 1	AREA 2	AREA 3	AREA 4
<u>ST. JOSEPH AREA OFFICE</u> <i>(Buchanan County)</i> Neal S. Miller, Area Director 3915 Oakland Avenue St. Joseph, MO 64506 PHONE: 816-364-3927 FAX: 855-863-7026 neal.miller@mo.usda.gov	<u>SPRINGFIELD AREA OFFICE</u> <i>(Greene County)</i> Mark L. Hultgren, Area Director 688 S State Hwy. B, Ste. 400 Springfield, MO 65802 PHONE: 417-831-5246 FAX: 855-863-7023 mark.hultgren@mo.usda.gov	<u>CLINTON AREA OFFICE</u> <i>(Henry County)</i> Kelly N. Gregory, Area Director 1306 N 2 nd St. Clinton, MO 64735 PHONE: 660-885-5567 FAX: 855-827-5262 kelly.gregory@mo.usda.gov	<u>DEXTER AREA OFFICE</u> <i>(Stoddard County)</i> Phyllis Minner, Area Director 18450 Ridgeview Lane Dexter, MO 63841 PHONE: 573-624-5939 FAX: 855-830-4755 phyllis.minner@mo.usda.gov
<u>CHILLICOTHE</u> <i>(Livingston County)</i> R. David Clarkson 1100 Morton Parkway Chillicothe, MO 64601 PHONE: 660-646-6222 FAX: 855-827-5260 david.clarkson@mo.usda.gov	<u>HOUSTON</u> <i>(Texas County)</i> W. Mark Dethrow 6726 S Hwy 63 Ste B Houston, MO 65483-2701 PHONE: 417-967-2028 FAX: 855-841-0745 mark.dethrow@mo.usda.gov	<u>BUTLER</u> <i>(Bates County)</i> Carol L. Platt 625 W Nursery St Box A Butler, MO 64730-1840 PHONE: 660-679-6114 FAX: 855-826-0250 carol.platt@mo.usda.gov	<u>CHARLESTON</u> <i>(Mississippi County)</i> Tracy Jordan 831 S Hwy 105 Charleston, MO 63834 PHONE: 573-649-9947 FAX: 855-827-5258 tracy.jordan@mo.usda.gov
<u>KIRKSVILLE</u> <i>(Adair County)</i> Teresa A. Cody 2410 S Franklin St. Kirksville, MO 63501 PHONE: 660-665-3274 FAX: 855-842-0825 teresa.cody@mo.usda.gov	<u>NEOSHO</u> <i>(Newton County)</i> Gregory M. Bramwell 1900 S. Bus. Hwy 71 S Neosho, MO 64850-2942 PHONE: 417-451-1007 FAX: 855-846-9255 greg.bramwell@mo.usda.gov	<u>ELDON</u> <i>(Miller County)</i> Cheryl D. Tillery 101 Industrial Parkway Eldon, MO 65026 PHONE: 573-392-5667 FAX: 855-830-4759 cheryl.tillery@mo.usda.gov	<u>FARMINGTON</u> <i>(St. Francois County)</i> Kevin P. Hinkebein 812 Progress Drive Farmington, MO 63640 PHONE: 573-756-6413 FAX: 855-830-7529 kevin.hinkebein@mo.usda.gov
<u>MARYVILLE</u> <i>(Nodaway County)</i> Jeremy E. Brady 502 W. South Hills Drive Maryville, MO 64468-2664 PHONE: 660-582-7421 FAX: 855-846-2014 jeremy.brady@mo.usda.gov	<u>ROLLA</u> <i>(Phelps County)</i> Mary Lou Richard 1050 Hwy 72 E Rolla, MO 65401-3962 PHONE: 573-364-1479 FAX: 855-861-0830 marylou.richard@mo.usda.gov	<u>HIGGINSVILLE</u> <i>(Lafayette County)</i> Mark T. Simmons 120 W 19th St Ste 102 Higginsville, MO 64037-1509 PHONE: 660-584-8732 FAX: 855-835-5201 mark.simmons@mo.usda.gov	<u>KENNETT</u> <i>(Dunklin County)</i> Brandee Moore 704 N Bypass Kennett, MO 63857 PHONE: 573-888-2536 FAX: 855-841-0754 brandee.moore@mo.usda.gov
<u>MOBERLY</u> <i>(Randolph County)</i> Steven E. Gerrish 2995 County Rd 1325 Moberly, MO 65270 PHONE: 660-263-7400 FAX: 855-846-9247 steve.gerrish@mo.usda.gov	<u>WEST PLAINS</u> <i>(Howell County)</i> Danonne C. Citro 3210 Hoover Drive West Plains MO 65775-3527 PHONE: 417-256-7117 FAX: 855-865-2187 danonne.citro@mo.usda.gov	<u>MEXICO</u> <i>(Audrain County)</i> Jacqueline L. Barker 4617 S Clark Mexico, MO 65265 PHONE: 573-581-4177 FAX: 855-846-2018 jacque.barker@mo.usda.gov	<u>POPLAR BLUFF</u> <i>(Butler County)</i> Angela L. Reynolds 4327 Hwy. 67N Poplar Bluff, MO 63901 PHONE: 573-785-9679 FAX: 855-850-2619 angie.reynolds@mo.usda.gov
<u>NEW LONDON</u> <i>(Ralls County)</i> Cheryl R. Elliott 17623 Highway 19 New London, MO 63459 PHONE: 573-985-7211 FAX: 855-849-1529 cheryl.elliott@mo.usda.gov		<u>RICHMOND</u> <i>(Ray County)</i> Debra K. Berry 500 Wollard Blvd. Richmond, MO 64085 PHONE: 816-776-2266 FAX: 855-850-2623 debra.berry@mo.usda.gov	<u>TROY</u> <i>(Lincoln County)</i> Connie A. Rigg 114 Frenchman Bluff Rd Troy, MO 63379 PHONE: 636-528-7046 FAX: 855-865-2181 connie.rigg@mo.usda.gov
		<u>SEDALIA</u> <i>(Pettis County)</i> Travis R. Zimmerman 1407 W 32 nd St Sedalia, MO 65301-8613 PHONE: 660-826-3339 FAX: 855-861-0833 travis.zimmerman@mo.usda.gov	

RURAL HOUSING LOANS AND GRANTS PROGRAM SUMMARY

Direct Home Ownership Loans

Loans made by USDA Rural Development to low and very low income applicants to buy, build or repair homes. Payments may be subsidized.

Guaranteed Home Ownership Loans

Loans made by conventional lenders and guaranteed by USDA Rural Development to low and moderate income applicants to buy or build homes at a 30 year fixed interest rate.

Home Repair Loans

1% loans made by USDA Rural Development up to \$20,000 to very low income applicants to repair the home they now own.

Home Repair Grants

Grants made by USDA Rural Development up to \$7,500 to very low income applicants, 62 years of age or older, to repair the home they now own to remove safety and health hazards. Grant recipients must show they cannot afford a 1% repair loan. A loan and grant may be made at the same time if there is limited repayment ability or just a 1% loan if the applicant or the repairs are not eligible for grant funds.

Rural Rental Housing Loans

Loans made by USDA Rural Development to individuals or organizations to construct apartments for very low to moderate income tenants--operated on a not-for-profit or a limited profit basis with subsidized rents--can include congregate housing or cooperative housing.

Guaranteed Rural Rental Housing Loans

Loans made by approved conventional lenders, or the State Housing Finance Agency, and guaranteed by USDA Rural Development to build apartments for moderate-income tenants.

Multi-Family Housing Revitalization Demonstration Program

Open to all Multi-Family Housing Program borrowers. The intended effect is to restructure selected existing rental properties expressly for the purpose of ensuring that sufficient resources are available to preserve the rental property in order to provide safe and affordable housing.

Rural Housing Site Loans

Loans made by USDA Rural Development to public bodies or not-for-profit entities to buy and develop lots to sell to very low to moderate income housing applicants at the cost of development.

Self-Help Housing Loans

Loans made by USDA Rural Development to a group of housing applicants who agree to work together to build their own homes.

Technical Assistance Grants

Grants made by USDA Rural Development to not-for-profit entities to provide the technical assistance to Self-Help Housing Loan applicants to build their own homes.

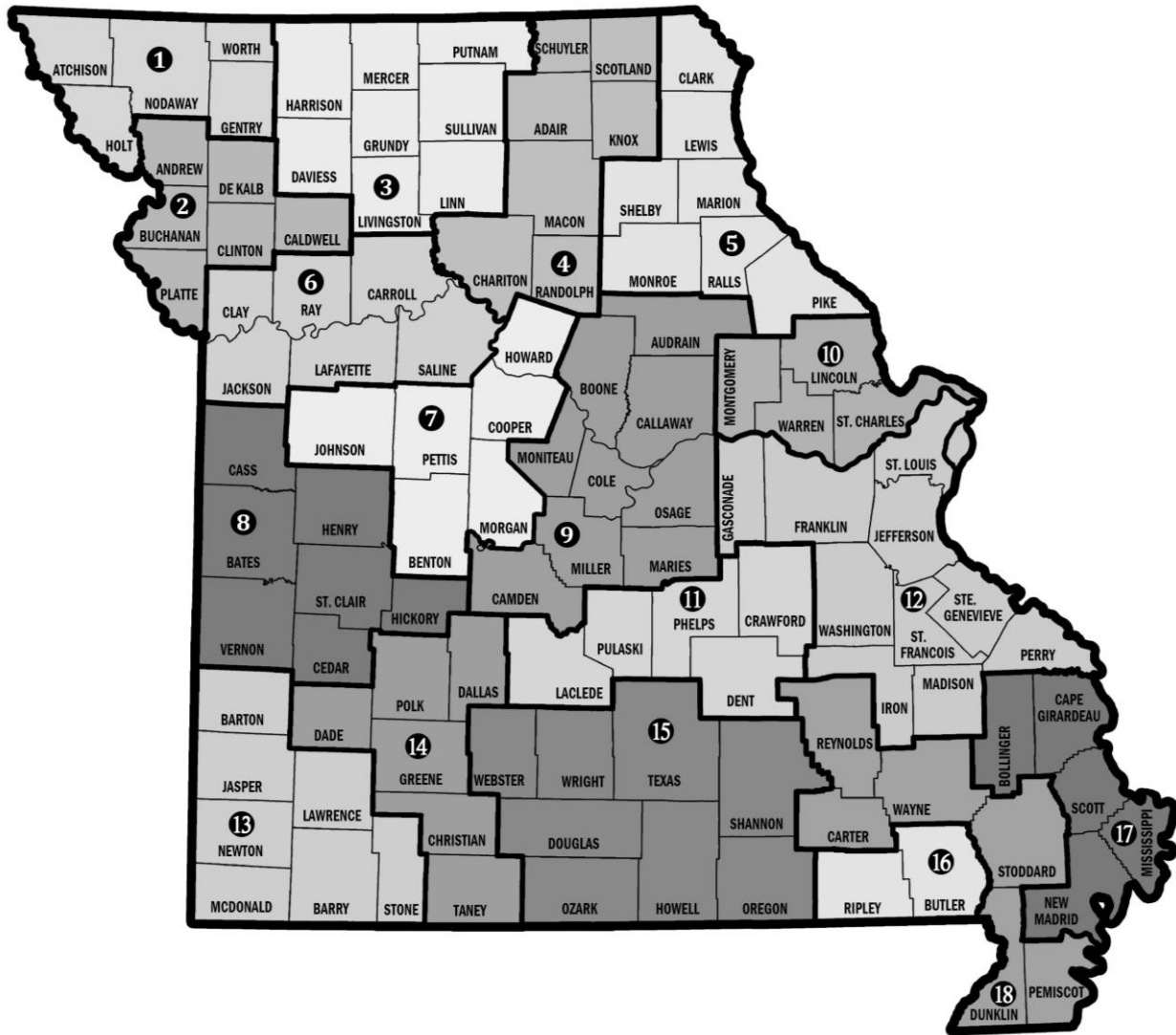
Farm Labor Housing Loans and Grants

Loans/grants made by USDA Rural Development to public bodies, not-for-profit entities or individuals to finance rental units for domestic farm labor.

Housing Preservation Grants

Grants made by USDA Rural Development to not-for-profit entities to operate a program which finances repair and rehabilitation activities to individual housing owners or for the owners of rental properties for very low and low-income tenants.

SFH DIRECT HOUSING PROGRAM MAP AND SERVICING OFFICES



	Office	Phone Number	Counties Served
1	Maryville Sub-Area Office 502 W. South Hills Drive Maryville, MO 64468-2664	(660) 582-7421, Ext. 4	Atchison, Gentry, Holt, Nodaway, and Worth
2	St. Joseph Area Office 3915 Oakland Avenue St. Joseph, MO 64506	(816) 364-3927, Ext. 4	Andrew, Buchanan, Caldwell, Clinton, DeKalb, and Platte
3	Chillicothe Sub-Area Office 1100 Morton Parkway Chillicothe, MO 64601	(660) 646-6222, Ext. 4	Davies, Grundy, Harrison, Linn, Livingston, Mercer, Putnam, and Sullivan
4	Moberly Sub- Area Office 2995 County Rd 1325 Moberly, MO 65270	(660) 263-7400, Ext. 4	Adair, Chariton, Knox, Macon, Randolph, Schuyler, and Scotland

SFH DIRECT HOUSING PROGRAM

MAP AND SERVICING OFFICES

	Office	Phone Number	Counties Served
5	New London Sub-Area Office 17623 Highway 19 New London, MO 63459	(573) 985-7211, Ext. 4	Clark, Lewis, Marion, Monroe, Pike, Ralls, and Shelby
6	Richmond Sub-Area Office 500 Wollard Blvd. Richmond, MO 64085	(816) 776-2266, Ext. 4	Carroll, Clay, Jackson, Lafayette, Ray, and Saline
7	Sedalia Sub-Area Office 1407 W 32nd St Sedalia, MO 65301-8613	(660) 826-3339, Ext. 4	Benton, Cooper, Howard, Johnson, Morgan, and Pettis
8	Butler Sub-Area Office 625 W Nursery St Box A Butler, MO 64730-1840	(660) 679-6114, Ext. 4	Bates, Cass, Cedar, Henry, Hickory, St.Clair, and Vernon
9	Eldon Sub-Area Office 101 Industrial Parkway Eldon, MO 65026	(573) 392-5667, Ext. 4	Audrain, Boone, Callaway, Camden, Cole, Maries, Miller, Moniteau, and Osage
10	Troy Sub-Area Office 114 Frenchman Bluff Rd Troy, MO 63379	(636) 528-7046, Ext. 4	Lincoln, Montgomery, St.Charles, and Warren
11	Rolla Sub-Area Office 1050 Hwy 72 E Rolla, MO 65401-3962	(573) 364-1479, Ext. 4	Crawford, Dent, Laclede, Phelps, and Pulaski
12	Farmington Sub-Area Office 812 Progress Drive Farmington, MO 63640	(573) 756-6413, Ext. 4	Franklin, Gasconade, Iron, Jefferson, Madison, Perry, St.Francois, Ste.Genevieve, St.Louis, and Washington
13	Neosho Sub- Area Office 1900 S. Bus. Hwy 71 S Neosho, MO 64850-2942	(417) 451-1007, Ext. 4	Barry, Barton, Jasper, Lawrence, McDonald, Newton, and Stone
14	Springfield Area Office 688 S. State Hwy B, Suite 400 Springfield, MO 65802-9109	(417) 831-5246, Ext. 4	Christian, Dade, Dallas, Greene, Polk, and Taney
15	Houston Sub-Area Office 6726 S. Hwy 63, Suite B Houston, MO 65483-2701	(417) 967-2028, Ext. 4	Douglas, Howell, Oregon, Ozark, Shannon, Texas, Webster, and Wright
16	Poplar Bluff Sub-Area Office 4327 Hwy. 67N Poplar Bluff, MO 63901	(573) 785-9679, Ext. 4	Butler and Ripley
17	Charleston Sub-Area Office 831 S Hwy 105 Charleston, MO 63834	(573) 649-9947, Ext. 4	Bollinger, Cape Girardeau, Mississippi, New Madrid, and Scott
18	Kennett Sub-Area Office 704 N Bypass Kennett, MO 63857	(573) 888-2536, Ext. 4	Carter, Dunklin, Pemiscot, Reynolds, Stoddard, and Wayne

DIRECT HOME OWNERSHIP LOANS (Section 502)

Handbook 1-3550



Purpose

To provide very low and low income families with financing to build, purchase, repair or refinance homes and building sites that meet local codes and provide adequate affordable housing.

Eligible Applicants

- Be without ownership of decent, safe and sanitary housing
- Be unable to obtain a loan for the full amount from other conventional lending sources on terms they can afford
- Have sufficient income for loan repayment, taxes, insurance and other existing debts
- Possess the legal capacity to incur debt
- Be a very low or low income applicant (80% or less of County Median Income)
- Have an acceptable credit history

Loan Purposes

Loan funds may be used to purchase a new home or purchase a site and build a new home. Certified building plans, specifications and lot survey must be provided. An existing home which meets building standards or can be brought up to code with loan funds is eligible for the program.

Funds may be used to modernize or repair a home already owned by an applicant. Under certain conditions, funds may be used to refinance debts on a home.

Loan Terms

Loans may be made for up to 100% of appraised Market Value plus some of the closing costs. The loan will be for a 33 year term and under certain conditions it may be extended to 38 years. The payment for principal and interest may be reduced on an annual basis by Payment Assistance, which is based on household annual adjusted income. The interest may be reduced to as low as 1%.

Location and Type of Home

The home must be located in a rural community with a population of less than 20,000, on a farm, or in open country not closely associated with an urban area. It must be located on a site which has a sewage disposal and water system that is approved by the Department of Health. Adequate streets and other services are approved on a site by site basis.

The cost of the modest home financed must not exceed the USDA Rural Development limit for the county in which the property is located. The home cannot have an in-ground swimming pool, but otherwise is not limited in amenities.

Other Features

Usually, the security for the loan will be a first lien on the property. These loans may be made in partnership with a conventional loan. With these leveraged loans, the loan will be secured by a second Deed of Trust with the conventional lender having the first lien. The interest rate charged to the borrower for the Rural Development loan will be a reduced rate based on the income of the borrower, if eligible.

Applications are filed at the local office serving the area where the home to be financed is located. If you are unable to locate the local office, you may call the State Office at (573) 876-0990 for further information.

GUARANTEED HOME OWNERSHIP LOANS

(Section 502)

RD Instruction 1980-D

Purpose

To provide low and moderate income applicants with the financial assistance to obtain adequate housing in rural communities with USDA Rural Development guaranteeing sound loans that could not otherwise be made without the guarantee.

Eligible Applicants

- Must have adequate and dependable income
- Must have a credit history that indicates a reasonable willingness to meet obligations
- Must have repayment ability based on the following ratios:
 - Monthly obligation for mortgage payments, real estate taxes and insurance (PITI) divided by gross monthly income cannot exceed 29%
 - Total monthly debt payments divided by gross monthly income cannot exceed 41%
 - Ratios can be exceeded with strong compensating factors.
- Must be a U.S. citizen or be legally admitted for permanent residence
- Must have an adjusted annual family income that does not exceed the moderate income limit of the county

Loan Purposes

Guaranteed loans may be made on new homes that have been inspected using code certified plans and specifications or have 10 year warranties. Guarantees can be made on existing homes that are structurally sound and have their plumbing, heating, and electrical certified (MO RH Guide 11 or inspected by a HUD certified appraiser). If the home is on an individual water and sewage disposal system, it must be approved

according to the requirements of the Department of Health. Funds may be included in the loan for essential repairs.

Loan Terms:

The Lender sets the interest rate for an amount not to exceed the Fannie Mae 30 year fixed rate plus .6 of 1% (rounded up to the next quarter percent). The Loan may be for up to 100% of market value plus up to 2% for guarantee fees. USDA Rural Development will receive a closing fee of 2.0% for purchases and an annual fee of .4% of the unpaid balance. Rural Development charges 2.0% for refinancing existing Rural Development guaranteed loans to the original lender. All loans must be secured by a first deed of trust on a residential property.

Location and Loan Amounts

The homes must be located in a rural community with a population of less than 20,000 or in open country not closely associated with an urban area. Visit <http://eligibility.sc.egov.usda.gov> to obtain a map of eligible areas. The home may include typical amenities.

Where To Apply

USDA Rural Development approved conventional lenders originate these loans, process applications and submit the loans to the centralized USDA Rural Development email at ra.grhorigins@mo.usda.gov for a commitment for a guarantee. The guarantee is to the lender and reduces their risk. If you need a list of approved lenders to contact, you should visit or call your local USDA Rural Development Office for more information.

Additional information for the guaranteed program is available at our website: www.rurdev.usda.gov/MO-grhpage.html

HOME REPAIR LOANS AND GRANTS (Section 504)

Handbook 1-3550

Purpose

To provide loan and grant funds to be used to pay for needed repairs and improvements to dwellings of eligible very low income families. Grant funds must be used to remove health and safety hazards.

Eligible Applicants

- Be a citizen or non-citizen that has been legally admitted for permanent residence
- Possess legal capacity to incur debt
- Have an acceptable credit history
- Be unable to get credit elsewhere and not have own resources available
- Very-Low income (50% of County Median Income or less)
- Must have sufficient and dependable income for loan repayment
- For grant only:
 - Be 62 years or older
 - Lack repayment ability for a loan amortized at a 1% interest rate for 20 years for the cost of needed repairs

Loan and Grant Uses

Repair loan and grants may be used to remove health and safety hazards such as repairing roofs, heating, electrical and plumbing systems, water and waste disposal, installing screens, windows, insulation and other steps to make the home safe and sanitary.

Home improvement loans may include similar purposes, but may also be used to modernize and bring a home up to standards, make changes for convenience, add a room, remodeling and overall making improvements to the home. The home must be owner-occupied.

Loan and Grant Restrictions

The outstanding loan amount cannot exceed \$20,000. The lifetime grant assistance may not exceed \$7,500.

Loan and grant funds may not be used to construct a new dwelling, repair a home that will continue to be a major hazard, move a mobile home, make off-site improvements or to refinance existing debts.

Grants may not be used to make changes to the dwelling for cosmetic or convenience purposes, unless directly related to removal of health and safety hazards.

Security and Terms of Loans and Grants

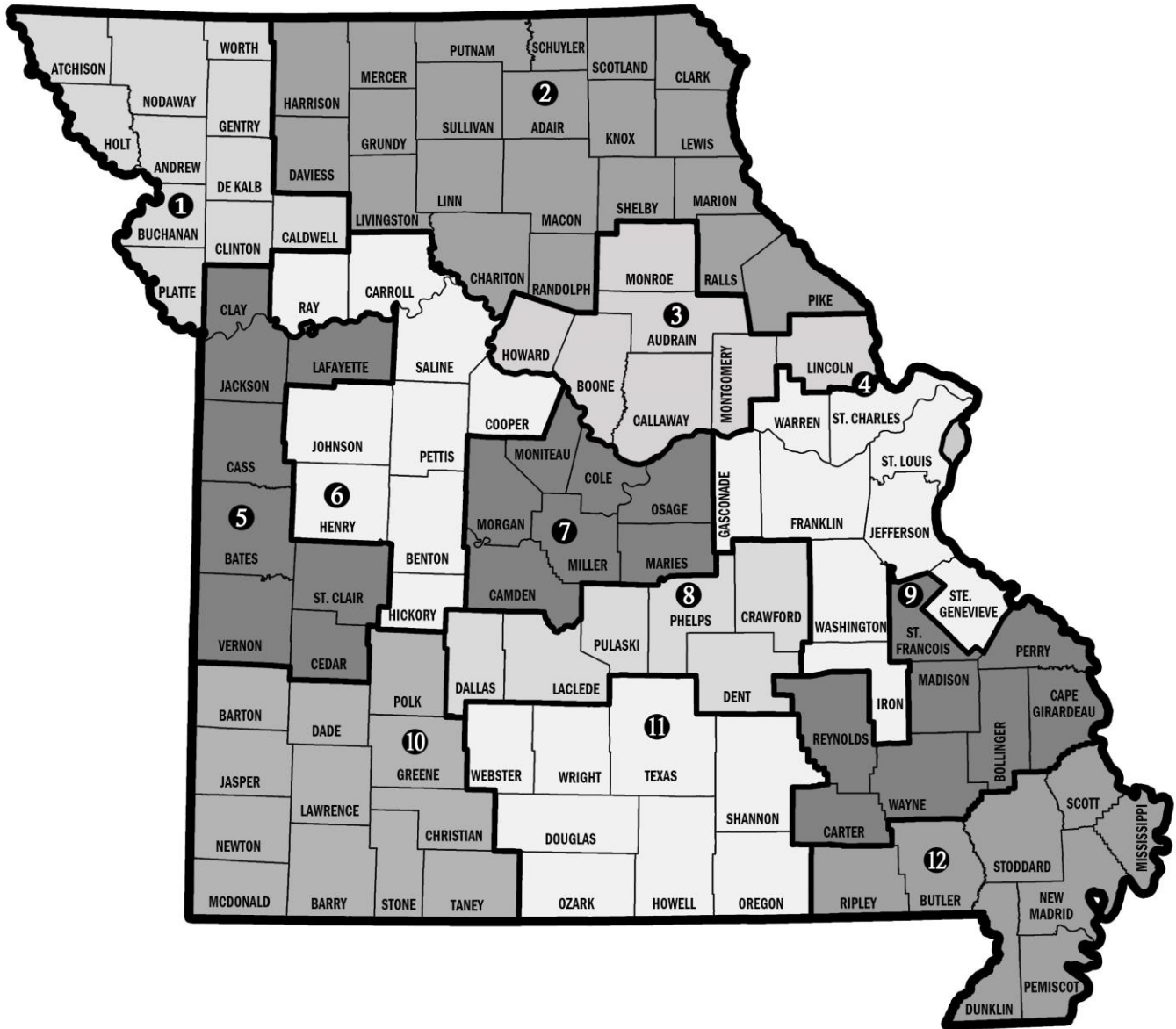
Loans of \$7,500 or more will be secured by a deed of trust. Loans of less than \$7,500 may be secured by a note-only.

Grant Agreements must be signed by all co-owners. Grant Agreements must be repaid in full if property is sold within 3 years from the date of the grant agreement.

Loan terms are not to exceed 20 years at 1% interest. Examples of payments are:

- \$1,000 loan at 1% for 20 years - \$4.60 monthly payment
- \$5,000 loan at 1% for 20 years - \$23.00 monthly payment
- \$15,000 loan at 1% for 20 years - \$69.00 monthly payment

MULTI-FAMILY HOUSING PROGRAM MAP AND SERVICING OFFICES



MULTI-FAMILY HOUSING PROGRAM

MAP AND SERVICING OFFICES

	Office	Phone Number	Counties Served
1	St. Joseph Area Office 3915 Oakland Avenue St. Joseph, MO 64506	(816) 364-3927, Ext. 4	Andrew, Atchison, Buchanan, Caldwell, Clinton, DeKalb, Gentry, Holt, Nodaway, Platte, and Worth
2	Kirkville Sub-Area Office 2410 S Franklin St. Kirkville, MO 63501	(660) 665-3274, Ext. 4	Adair, Chariton, Clark, Daviess, Grundy, Harrison, Knox, Lewis, Linn, Livingston, Macon, Marion, Mercer, Pike, Putnam, Ralls, Randolph, Schuyler, Scotland, Shelby, and Sullivan
3	Mexico Sub-Area Office 4617 S Clark Mexico, MO 65265	(573) 581-4177, Ext. 4	Audrain, Boone, Callaway, Howard, Lincoln, Monroe, and Montgomery
4	Troy Sub-Area Office 114 Frenchman Bluff Rd Troy, MO 63379	(636) 528-7046, Ext. 4	Franklin, Gasconade, Iron, Jefferson, St. Charles, St. Louis, Ste. Genevieve, Warren, and Washington
5	Butler Sub-Area Office 625 W Nursery St Box A Butler, MO 64730-1840	(660) 679-6114, Ext. 4	Bates, Cass, Cedar, Jackson, Lafayette, St. Clair, and Vernon
6	Clinton Area Office 1306 N 2nd St. Clinton, MO 64735	(660) 885-5567, Ext. 4	Benton, Carroll, Clay, Cooper, Henry, Hickory, Johnson, Pettis, Ray, and Saline
7	Eldon Sub-Area Office 101 Industrial Parkway Eldon, MO 65026	(573) 392-5667, Ext. 4	Camden, Cole, Maries, Miller, Moniteau, Morgan, and Osage
8	Rolla Sub-Area Office 1050 Hwy 72 E Rolla, MO 65401-3962	(573) 364-1479, Ext. 4	Crawford, Dallas, Dent, Laclede, Phelps, and Pulaski
9	Farmington Sub-Area Office 812 Progress Drive Farmington, MO 63640	(573) 756-6413, Ext. 4	Bollinger, Cape Girardeau, Carter, Madison, Perry, Reynolds, St. Francois, and Wayne
10	Springfield Area Office 688 S. State Hwy B, Suite 400 Springfield, MO 65802-9109	(417) 831-5246, Ext. 4	Barry, Barton, Christian, Dade, Greene, Jasper, Lawrence, McDonald, Newton, Polk, Stone, and Taney
11	Houston Sub-Area Office 6726 S. Hwy 63, Suite B Houston, MO 65483-2701	(417) 967-2028, Ext. 4	Douglas, Howell, Oregon, Ozark, Shannon, Texas, Webster, and Wright
12	Poplar Bluff Sub-Area Office 4327 Hwy. 67N Poplar Bluff, MO 63901	(573) 785-9679, Ext. 4	Butler, Dunklin, Mississippi, New Madrid, Pemiscot, Ripley, Scott, and Stoddard

RURAL RENTAL HOUSING LOANS (Section 515)

RD Instruction 3560

Purpose

Provide eligible tenants economically designed and constructed rental housing and related facilities suited to their living requirements in rural areas which are defined as communities with a population of less than 20,000.

Eligible Occupants

Families, individuals, senior citizens (age 62 or over) and persons with a disability with very low, low, and low to moderate incomes.

Eligible Applicants

Nonprofit organizations, Limited Profit borrowers (individual, partnerships [general and limited], and corporations), consumer cooperative or public bodies are eligible. Limited Profit borrowers must agree to limit their return on their initial investment to 8%. Applicants must have ability and experience to operate and manage the development successfully.

Terms

30 years with a 50 year amortization at current lending interest rates.

Loan Limitations

- Maximum loan for non profits, consumer cooperatives, or State or local public agencies, will be limited to the total development cost or appraised value, whichever is less.
- For Limited Profit applicants receiving Low-Income Housing Tax Credits, the amount of the loan will be limited to no more than 95% of the development cost or appraised value, whichever is less.
- For all other applicants not receiving any benefits from Low-Income Housing Tax Credits, the loan amount will be limited

to no more than 97 percent of the development cost or appraised value, whichever is less.

Loan Purposes

- New construction
- Purchase and rehabilitate existing buildings only when the loan for such rehabilitation does not exceed by 5% the loan for new construction in the same area
- Purchase and improve the necessary land on which the housing will be located
- Develop other related facilities in connection with the housing such as community room, recreation area or office

Applications

Dates governing the invitation and review of preapplications will be published in the Federal Register annually. Application packets can be picked up at any USDA Rural Development office throughout the state. They are processed by one of our four area offices located throughout the state.

Subsidies

- **INTEREST CREDIT** – Interest rate reduction to 1% depending on the tenant's adjusted income. Owner will have two rents (basic and note). Basic rents are rents needed to pay operating and maintenance expenses plus loan payment at note rate interest for 50 years. Tenants pay based on 30% of their adjusted household income within the basic and note rate rent schedule.
- **RENTAL ASSISTANCE** - This is a deeper subsidy which pays the difference between 30% of the tenant's adjusted income and basic rent. This is a project

based subsidy. Currently we have over 8800 units of rental assistance throughout the state

- **OTHER SUBSIDIES** - Existing Section 8 assistance is available through various housing agencies throughout the state. This is a tenant based subsidy which goes with the tenant wherever they live.

Servicing Issues

We currently have approximately 748 borrowers totaling a little over 17,485 rental units. Borrowers are required to prepare annual financial reports and budgets for review and approval by USDA Rural Development. Every three years a detailed supervisory visit and property inspection is made by USDA Rural Development to assure compliance with the borrower's loan agreement or resolution, Promissory Note, Deed of Trust, and our regulations. Borrowers with special needs or problems may need visits at more frequent intervals.

Owners are required to verify and certify tenant's income and assets on an annual basis. They must also submit monthly payments with a project worksheet showing overage charged and rental assistance needs if applicable.

Special Servicing Options Available For Certain Situations

- **SPECIAL NOTE RENT (SNR)**
- (SNR) - reduced market rents when area private market rents are less than our note rate rent and vacancies result
- **TRANSFERS** - Sell property to new owner agreeing to abide by restrictions of the properties loan agreement/or resolution and legal documents
- **SUBORDINATIONS**
- **CONSOLIDATIONS**
- **CONSENT TO JUNIOR LIENS**
- **REAMORTIZATIONS**

Restrictive Use Provisions

- **BORROWERS WITH LOANS PRIOR TO 12-21-79** - Do not have any restrictive use provisions in their legal documents. They may prepay their loans only under certain conditions. USDA Rural Development may make equity loan offer along with other incentives to not prepay. USDA Rural Development must review request and determine what conditions, if any, must happen in order to prepay.
- **BORROWERS WITH LOANS BETWEEN 12-21-79 AND 12-15-89** - These borrowers have signed a 20 year restrictive use provision in their legal documents. They can prepay under certain conditions but are more controlled. USDA Rural Development may make incentive offer but cannot make an equity loan offer. USDA Rural Development must again review and determine what conditions apply if prepayment is allowed.
- **BORROWERS WITH LOANS AFTER 12-15-89** - These loans may not prepay for the life of the loan.

Instructions for Loan Servicing

7CFR 3560

HB-1-3560 MFH Loan Origination Handbook

HB-2-3560 MFH Asset Management Handbook

HB-3-3560 MFH Project Servicing Handbook



GUARANTEED RURAL RENTAL HOUSING LOANS

(Section 538) RD Instruction 3565

Purpose

To increase the supply of affordable moderate income rural rental housing, through the use of loan guarantees that encourage partnerships between the Rural Housing Service, private lenders and public agencies.

Eligible Borrowers

- Must intend to provide and maintain rural rental housing
- Must have legal and financial capacity to meet all of the obligations of the loan and ability and experience to construct or rehabilitate multi-family housing that met the requirements of the agency, the lender, and the loan agreement
- Must have ability and experience to meet the property management requirements of the agency, lender, and loan agreement
- Ownership entities must be a valid entity in good standing under the laws of the jurisdiction in which it is organized
- Eligible borrowers must be US Citizens or US Owned Corporations, or organizations in which the principals are US Citizens or permanent legal residents, and include, but may not be limited to
 - Individuals
 - Corporations
 - State or local public agencies
 - Partnerships
 - Cooperative housing
 - Trusts
 - Indian tribes



Eligible Lenders

Those approved and considered eligible by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corp., the Federal Home Loan Bank members, or the Department of Housing and Urban Development qualify as an eligible lender if they are currently active with the multi-family housing program. State Housing Finance Agencies are also considered eligible. Other lenders have the opportunity to enter into a correspondent bank relationship with approved lenders in order to participate in the program.

Terms

Repayment term cannot exceed 40 years or the remaining economic life of the project, whichever is less. The interest rate cannot exceed the maximum rate specified in the Notice of Funding Availability (NOFA). The rate must be fixed for the life of the loan.

Loan Purposes

- New construction and/or purchase and rehabilitation of buildings. Purchase and improve land on which the housing will be located
- Development of related facilities (community space, recreation, storage or maintenance structures), except high cost facilities such as swimming pools and exercise clubs
- Construction of on-site management or maintenance offices and living quarters for operating personnel for the property being financed

- Purchase and install appliances and develop the surrounding grounds, including parking, signs, landscaping and fencing
- Costs for feasibility determination, loan application fees, appraisals, environmental documentation, professional fees or other fees determined by the agency to be necessary to the development of the project

Construction interest accrued on the construction loan, relocation assistance in the case of rehabilitation projects, and developers' fees

- Costs associated with the revitalization, repair, and transfer of existing RD financed Section 515 rural rental housing properties. The minimum amount required is \$6,500 per unit

Location and Loan Amounts

Loans must be located in rural communities with a population of less than 20,000. Maps outlining eligible rural areas may be obtained by visiting: <http://eligibility.sc.egov.usda.gov>. Loans to nonprofit organizations or agencies or bodies of state, local or tribal government will be limited to 97% of the development cost or the lenders determination of value not to exceed the appraised value of the housing and facilities. All other entities will be limited to 90% of the development cost or appraised value.

Restrictions

Rent for any individual unit, including utilities, must not exceed an amount equal to 30% of 115% of area median income, adjusted for family size. Also, on an annual basis, the average rent for the project must not exceed 30% of 100% of area median income, adjusted for family size.

Guarantee Amount and Fee

The initial fee will be equal to 1% of the guarantee. An application fee of \$2,500 will be collected when a formal application is filed. An annual fee of at least .5% of the outstanding principal amount will be charged each year that the guarantee is in effect. The maximum guarantee for a permanent loan will be 90% of the unpaid principal and interest of the loan.

Application Process

Notice of Funding Availability will be announced annually in the Federal Register giving instructions on when and where applications will be accepted.

Preservation

Loans must remain affordable to eligible households for the term of the loan, unless the project is determined to be no longer needed or the lender acquires title to the property through foreclosure or deed-in-lieu of foreclosure. This requirement is statutory.



SECTIONS 515 AND 514/516 MULTI-FAMILY HOUSING REVITALIZATION DEMONSTRATION PROGRAM (MPR)



The U.S. Department of Agriculture (USDA) Rural Development, Rural Housing Service, announces the Sections 515 and 514/516 Multi-Family Housing Revitalization Demonstration (MPR) Program. The intended effect is to restructure selected existing Section 515 rental properties and Sections 514/516 Off-Farm Labor Housing properties expressly for the purpose of ensuring that sufficient resources are available to preserve the rental property for the purpose of providing safe and affordable housing. The MPR Program is open to all Section 515 and Sections 514/516 Off-Farm Labor Housing owners or purchasers seeking to preserve existing properties. Expectations are that properties selected to participate will be able to be revitalized and extend affordable use without displacing or impacting tenants because of increased rents.

How May Funding Be Used?

Funding made available under this program shall be used to restructure existing Sections 515 and 514/516 loans and grants to ensure these properties have sufficient resources to preserve them for the purpose of providing safe and affordable housing for low-income residents.

Restructuring Tools:

- Rural Development debt deferral for the remaining term of the loan or 20 years, whichever is less.
- A revitalization grant (for non-profit borrowers/purchasers only) limited to no more than \$5,000 per unit and limited to the costs of correcting health and safety violations identified by a capital needs assessment (CNA).
- A revitalization loan at zero percent interest amortized over 30 years.
- A soft-second loan at one percent interest that will have its interest and principal deferred, to a balloon payment, due at the time the latest maturing Section 515 loan becomes due, and limited to no more than \$5,000 per unit.
- Additional Section 515 loan or Sections 514/516 loans and grants at traditional rates and terms limited to no more than \$20,000 per unit.

Who May Apply?

This program is available to all existing Sections 515 and 514/516 owners and purchasers.

Existing owners/principals or purchasers must meet basic eligibility criteria, which are:

- Be in good standing on all existing Sections 515 and 514/516 properties.
- Management must be in good standing or owner agrees, as a condition of participation, to bring in new management.
- The property is needed in the market. Need is evidenced for Section 515 properties if the average physical vacancy rate over the twelve months preceding the filing of the pre-application is not more than 10 percent for properties of 16 units or more and 15 percent for properties with 15 or fewer units. Need is evidenced for off-farm labor housing properties if the properties have had positive cash flow for the full three years of operation prior to the filing of the MPR application. The Agency may consider and accept market survey documentation submitted by the applicant that demonstrates the occupancy standard will be met once a restructuring is performed.
- The physical needs of the property as determined by a third-party CNA must be attainable with assistance available under the MPR Demonstration Program.

What are the Terms?

The maximum term for all debt deferrals will be the lesser of 20 years or the remaining term of the Sections 515 or 514 loans being deferred. All terms and conditions of the debt deferral will be described in the MPR Debt Deferral Agreement. A balloon payment of accrued principal and interest will be due at the end of the deferral period. Interest will not be charged on the deferred interest.

What is the Interest Rate?

The maximum interest rate will be one percent. Interest will accrue at the Promissory Note rate and subsidy will be applied as set out in the

Agency's Interest Credit Agreement. Interest will not be charged on the deferred interest.

What Security is Required?

A new Mortgage or Deed of Trust will be taken on real and personal property when any new Rural Development loan funds are approved. A Restrictive Use Covenant for a period of 20 years, the remaining term of any loans, or the remaining term of any existing restrictive-use provisions, whichever ends later, will be filed in the land records and will hold a superior lien position.

How are Applications Made?

The Agency publishes a Notice of Funding Availability (NOFA) in the Federal Register inviting pre-applications for participation in the MPR Demonstration Program subject to the availability of funding. The NOFA will set forth the deadlines and other information related to submission of pre-applications for participation in this Demonstration Program. Applicants are encouraged to submit their pre-applications electronically; however, the Agency will also accept pre-applications in "hard copy". To be eligible for consideration, proposals must be submitted in accordance with the NOFA and must provide all information requested in the NOFA for the Agency to score and rank the proposals.

Additional information and pre-applications for financial assistance are available through State and local offices.



514 FARM LABOR HOUSING LOANS

516 FARM LABOR HOUSING GRANTS

RD INSTRUCTION 3560

Purpose

To make loans to provide decent, safe, and sanitary housing for domestic farm labor in areas where needed and provide grants where there is a pressing need for such facilities in an area for farm laborers and there is reasonable doubt that housing can be provided without the grant assistance.

Applicants

Must be a farm owner, family farm partnership, family farm corporation, or an association of farmers whose farming operations demonstrate a need for farm labor housing, or an organization which will own the housing and operate it on a nonprofit basis.

Eligibility Requirements

To be eligible for a loan the applicant must meet the following:

- Unable to provide needed housing from their own resources and unable to obtain credit elsewhere
- Have sufficient initial operating capital to pay costs such as property and liability insurance premiums, fidelity bond coverage, utility hookup deposits, maintenance equipment, printing other lease forms, and other initial expenses. Can include up to 2% of the development costs for the initial operating capital for nonprofit organizations and State or local public agencies
- Own the housing and related land or become the owner when the loan is closed
- Refer to 7 CFR 3560.555 for more specific requirements

In addition to the above, to be eligible for a labor housing grant the applicant must meet the following:

- Must be broad-based nonprofit or nonprofit organization of farm workers only.

Rates and Terms

Loan will be amortized for 33 years at 1% percent interest rate.

Applications and Funding Selection

Applications for loans are processed by one of our four area offices throughout the state. Applications for Farm Labor Housing Grants are now announced annually as a Notice of Funding Availability (NOFA) in the Federal Register. Allocation for loans and grants are maintained by the National Office. To proceed with final requests, National Office authorization must be received.

Loan Purposes

- Build, buy, improve or repair housing
- Purchase and improve the necessary land on which the housing will be located
- Develop and install water supply, sewage disposal, streets, storm water retention facilities, and heat and light systems necessary
- Construct other related facilities in connection with the housing such as maintenance workshop, storage facilities, recreation center, central cooking and dining, laundry, etc.
- Construct office and living quarters for the resident manager and other operating personnel
- Purchase and install ranges, refrigerators, drapes, washers and dryers
- Provide landscaping, foundation planting, seeding or sodding of lawns, and necessary facilities related to building such as walks, yards, fences, parking areas and driveways
- Provide funds to enable a nonprofit group or public body to be reimbursed for technical assistance

Grant Requirements

A grant may be made to an eligible applicant when the following requirements are met:

- Applicant contributes at least 10% of the total development cost from their own resources
- Davis-Bacon Act applies to construction if a grant is involved

RURAL HOUSING SITE LOANS

RD INSTRUCTION 444.8

Purpose

Assist public or private nonprofit organizations with the purchase and development of adequate sites, including the construction of essential access roads, streets, utility lines, and necessary equipment which will become a permanent part of the development.

Eligible Applicants

The applicant must be a private or public nonprofit organization.

Loan Limitations

\$100,000 or total development costs or value of property as improved, whichever is less. There can be a larger loan if prior authorization is obtained from the National Office. Proposals should be for the number of lots that could be sold in two years.

Application

The application will be in the form of a letter to the Local or Area Office which would include:

- Financial statement
- General description of the project
- Estimated cost and amount of loan needed
- Evidence of inability to obtain credit elsewhere
- Evidence of need for the proposed sites in the locality by low- and moderate-income families
- Evidence of any state, county, or local planning, zoning or other ordinance imposing additional restrictions upon the proposed site

Terms

For Section 523 – Self Help Site Loans – Interest rate is 3%. For Section 524 – Low and Moderate Site Loans – Interest rate is the same as the current interest rate in effect for the Section 502 loan program. Maturity date will be two years from the date the loan is made. National Office may authorize an extension of the maturity date.

Security

Each loan will be secured by a mortgage on the property purchased or improved with the loan and a security interest in the funds held by the corporation in trust for the Government.

Funding

Allocations are maintained at the National Office. Applicants must get prior National Office approval before proceeding with the final request.

Eligible Loan Purposes

- Access roads, streets, utility lines
- Purchase of land
- Public water and waste disposal facilities if they are not available and cannot reasonably be provided on a community basis with other financing, including Rural Development Water and Waste Disposal association loan
- Engineering fees, legal fees, and closing costs
- Actual cash costs of incidental administrative expenses such as postage, telephone, advertising, etc.
- Needed landscaping, planting, seeding, or sodding, or other necessary facilities related to buildings such as walks, parking areas, and driveways

Ineligible Loan Purposes

- Purchase more land than immediate (two year) need for locality
- Payment of commissions or refinancing debts
- Purchase of land from a member of applicant-organization
- To develop lots which will be excessive in costs

Program Restrictions

The sites developed with a site loan (Sec. 524) must be for housing low- and moderate-income families and may be sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any Section of Title V of the Housing Act of 1949. This could be a private lender, HUD, individuals who are eligible for a VA guaranteed loan, state or local public agencies, such as a housing authority, as long as they meet the income guidelines.

SELF-HELP TECHNICAL ASSISTANCE LOANS AND GRANTS RD Instruction 1944-I

Purpose

To provide grant funds to eligible organizations who wish to operate and administer a program to assist needed and qualified families to construct houses in rural areas.

Eligible Applicant

Be an organization which has the financial, legal, administrative, and capacity to administer the grant

- Can be a State, political subdivision, or public nonprofit corporation or,
- Private nonprofit corporation owned and controlled by private persons or interests and organized and operated for purposes other than making gains or profits for the corporation

Applications

Preapplications can be submitted to any of our four area offices throughout the state. An organization is available to assist applicants for preparation of a preapplication.

Funding

An allocation for this program is maintained by the National Office. Eligible applicants will be submitted to National Office for funding. Some predevelopment monies are available for preparation of the grant proposals.

Terms

Grants are normally made on a two-year basis. Construction is generally in a group fashion, and consists of 8-10 families who agree to mutually provide labor to each other throughout the building period until all houses in the group are completed. Estimate a 6 to 8 month construction time frame for each group of 8 to 10 families. Three 8 month building cycles would complete the 24 month grant period.

Use of Grant Funds

- Payment of salaries of personnel, employee benefits, etc.
- Payment of necessary and reasonable office expenses such as utilities, equipment rental, office rental, supplies, etc.
- Purchase, lease, or maintenance of power or specialty tools (power saw, electric drill, saber saw, ladders, etc.). The participating families are expected to provide their own hand tools such as hammers and handsaws
- Payment of liability insurance and audit costs
- Payment of reasonable fees for training of grantee personnel
- Payment of legal costs, accountant fees to set up an accounting system

Loan Limitations

- The self-help must be less costly than having a contractor/builder do the job. The maximum grant amounts will be limited to:
- An average technical assistance (TA) cost per unit should be no more than 15% of the cost value of modest homes built in the area; or
- An average TA cost per unit that does not exceed the difference between the value of modest homes in the area and average mortgage of the participating families minus \$1,000

General Comments

The self-help participant must, by agreement, contribute a significant amount of labor in order that house costs will be reduced and made more affordable. Family selected phases should be those requiring semi-skills of the workers and can be performed with on-the-job supervision by the grant program construction supervisor. Families are not expected to perform those construction phases requiring licensed workers. Participants should be prepared to contribute approximately 30 hours of work per week per group member.

HOUSING PRESERVATION GRANT PROGRAM

RD Instruction 1944-N

Purpose

To provide funds to eligible applicants to operate a program which finances repair and rehabilitation activities to individually owned housing, or to owners of rental properties for very low- and low-income persons in rural communities.

Applicants

Must be an organization authorized to administer HPG funds:

- State, commonwealth, trust territory, other political subdivision, or public nonprofit corporation authorized to receive and administer HPG funds
- American Indian tribe, band, group, or nation which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act or under the State and Local Fiscal Assistance Act of 1972
- Private nonprofit corporation that is owned and controlled by private persons or interest for purposes other than making gains or profits for the corporation, is precluded from distributing any gains or profits to its members
- Consortium of units of government and/or private nonprofit organizations which is otherwise eligible to receive and administer HPG funds

Preapplication Submission Deadline

Dates governing the invitation and review of HPG preapplications will be published in the Federal Register. Applicants then have 90 days from publication to file a pre-application.

Project Selection Criteria

The Project Selection Criteria form (Exhibit D) is used to determine eligibility and priority points. Priority points are assigned for the following criteria: percentage of very-low persons proposed to be assisted, population, percentage of funds which will be used for administrative purposes, component for alleviating overcrowding, leveraged funds, and administrative capacity to carry out the objectives of the grant.

Term of Grant

The objectives of the grant shall normally be accomplished between 1 to 2 years.

Eligible Grant Purposes

- Installation and/or repair of sanitary water and waste disposal systems
- Energy conservation measures such as insulation and combination screen-storm windows and doors
- Repair or replacement of the heating system
- Electrical wiring
- Repair of, or provision for, structural supports and foundations
- Repair or replacement of the roof
- Replacement of severely deteriorated siding, porches, or stoops
- Alterations of the unit's interior or exterior to provide greater accessibility for any handicapped person
- Additions to any dwelling only when it is clearly necessary to alleviate overcrowding or to remove health hazards to the occupants
- Repairs to manufactured housing provided the recipient owns the home and the site and has occupied that home on that site for least 1 year prior to receiving assistance and the manufactured housing is on a permanent foundation or will be put on a permanent foundation with HPG funds [(1944.664 (c) (10))]
- Up to 20% of the HPG funds may be used for administrative purposes (salaries, office supplies, utilities, telephone services and equipment, audit, workers' compensation, etc.)

Reporting Requirements & Compliance

The Grantee is required to submit a Financial Status Report (SF-269) and a performance report (Exhibit E-1) quarterly which should relate to the activities accomplished during the report period. USDA Rural Development will be responsible for reviewing the quarterly reports and final reports to determine if the grantee is complying with the Grant Agreement, Statement of Activities and the budget, and that the HPG project activity is completed and approved. At the close of the grant, the Grantee will be required to provide a final audit.

BUSINESS PROGRAMS LOANS AND GRANTS

PROGRAM SUMMARY

Business and Industry Guaranteed Loans

Loans made by conventional lenders and guaranteed by USDA Rural Development to help maintain or establish private business and industry enterprises that creates employment opportunities. Eligible projects must be located in communities with populations of 50,000 or less.



Rural Business Enterprise Grants (RBEG)

Grants made by USDA Rural Development to public bodies, not-for-profit entities or Indian tribes to support the development of private business enterprises. Eligible projects must be located in communities with populations of 50,000 or less.

Rural Business Opportunity Grants (RBOG)

Grants made by USDA Rural Development to public bodies, nonprofit corporations, Indian tribes, institutions of higher education, and rural cooperatives. The primary objective of the RBOG program is to promote sustainable economic development in rural communities with exceptional needs. Eligible projects must be located in communities with populations of 50,000 or less.

Intermediary Relending Program

Loans made by USDA Rural Development to intermediaries (public bodies, not-for-profit entities or Indian tribes) at 1% interest for 30 years. The maximum loan to ultimate recipients is \$250,000 or 75% of the project cost, whichever is less. Intermediaries establish revolving loan

fund accounts and then relend to individuals or public or private organizations to finance business enterprises or community development. Eligible projects must be located in communities with a population of 25,000 or less.

Rural Economic Development Loans & Grants (REDLG)

The REDLG program provides funding for job creation or community development projects through rural electric or telephone cooperatives. Under the RED Loan program, USDA provides zero interest loans to the electric or telephone cooperative which in turn re-lends the funds to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. Under the RED Grant program, USDA provides grant funds to rural electric or telephone cooperatives which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs.

Value-Added Producer Grants (VAPG)

Grants are made to help producers increase revenues through value-added activities that expand the customer base for their products or commodities.

Rural Energy for America Program

Grants and guaranteed loans are made to farmers, ranchers, and rural small businesses for eligible renewable energy and energy efficiency projects.



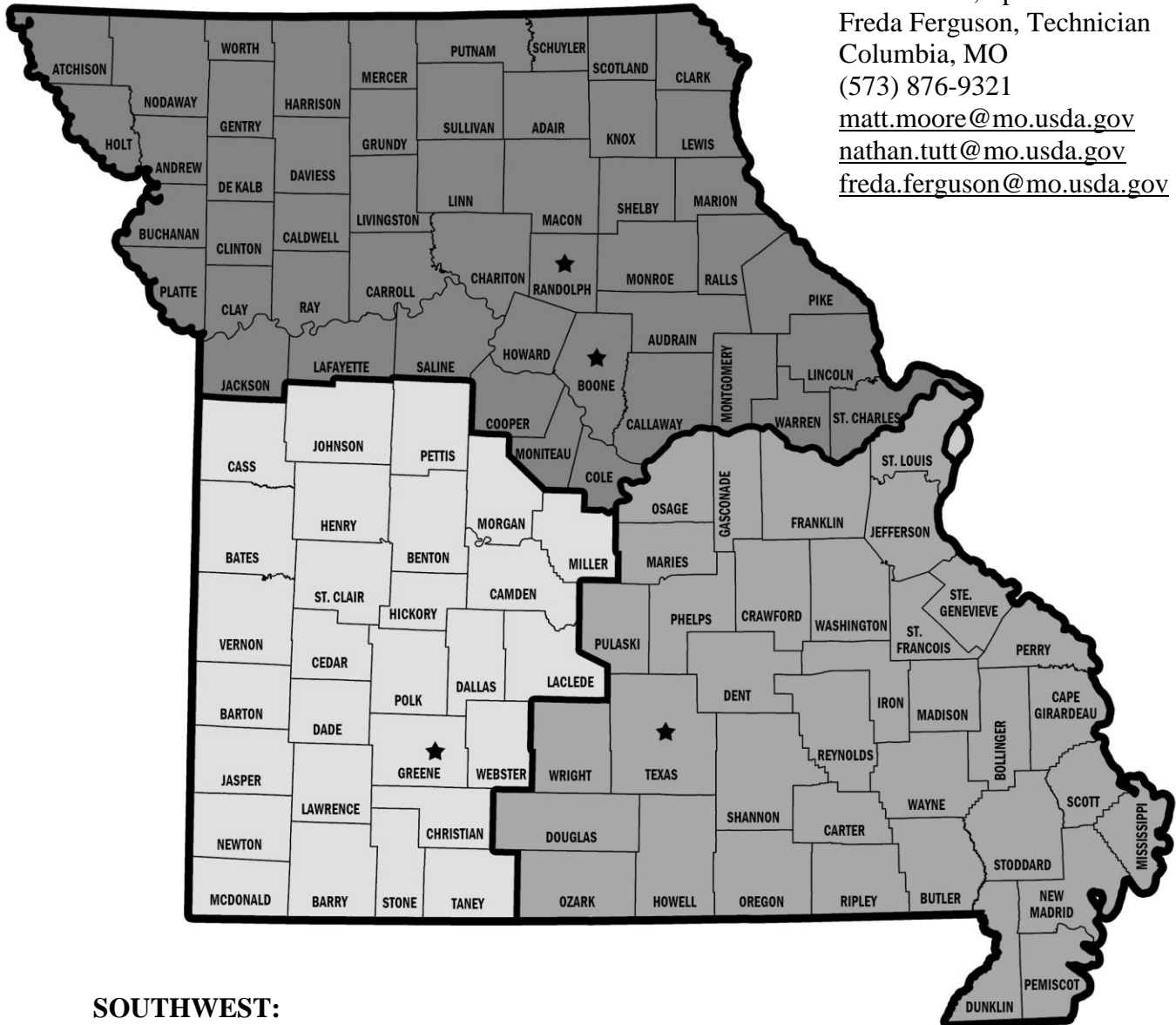
BUSINESS PROGRAMS MAP AND CONTACTS

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BUSINESS AND INDUSTRY GUARANTEED LOANS

RD Instruction 4279-A and 4279-B

Purpose:

The Business & Industry Guaranteed Loan program guarantees loans made by eligible commercial lenders to businesses in rural areas. The program's primary purpose is to create or maintain employment and improve the economic climate in rural communities. This is achieved by expanding the existing private credit structure to make and service quality loans in order to provide lasting community benefits.

Eligibility

Borrowers may include legal entities such as:

- Profit and Nonprofit
 - Corporations
 - Cooperatives
 - Partnerships
- Individuals
- Municipality, county or other political subdivision (subject to state statute)
- Federally recognized Indian tribal groups

Eligible Types of Businesses

- Manufacturing
- Retail
- Wholesale
- Service

Eligible Loan Purposes

- Construction, renovation and development
- Purchase land and buildings
- Purchase machinery and equipment
- Pollution control and abatement
- Startup costs and working capital (not line of credit)

- Processing and marketing facilities
- Interest costs in some cases
- Feasibility studies prepared for the loan request
- Debt restructuring in some cases
- Certain fees incurred as part of loan request

Ineligible Loan Purposes

- Agricultural production and harvesting
- Payment to owner, partner, stockholder or beneficiary of applicants who will retain equity in the business
- Assistance to government employees and military personnel owning 20% or more of the business
- Any illegal business activity
- Any line of credit
- Guarantee of loans where there may be directly or indirectly a conflict of interest or an appearance of a conflict of interest
- Owner occupied housing
- Racetracks, Golf Courses
- Lending/investment institutions or insurance companies
- Charitable Institutions, Churches or church controlled or fraternal organizations
- Business establishments when more than 10% of annual gross revenue is from gambling activities
- Lease payments
- Loans made by other Federal agencies
- Loans involved in tax-exempt obligations

Population Limit

Loans will not be made in any city or town with a population greater than 50,000 and the urbanized area contiguous and adjacent to such city or town as defined by the U.S. Bureau of Census.

Guarantee Fee/Guarantee Limit

- A guarantee fee of 3% of the guaranteed portion of the loan is required
- The maximum guarantee will be as follows:
 - 80% for loans of \$5 Million or less
 - 70% for loans in excess of \$5 Million to \$10 Million
- Annual Renewal Fee Required

Loan Terms

- 30 years on land, buildings and permanent fixtures (Average is 15 to 20 years)
- 15 years or useful life on machinery and equipment (Average is 5 to 10 years)
- 7 years for startup working capital loans (Average 3 to 5 years)

Interest Rates

- May be fixed or variable
- Negotiated between lender and applicant

Equity/Cash Required by Borrower

- Minimum tangible balance sheet equity of 20% for all startup businesses.
- Minimum tangible balance sheet equity of 10% on existing businesses with proven track record.
- Equity will be in the form of cash or tangible earning assets. Appraisal surplus and/or subordinated debt cannot be used in the calculation of the equity requirement.

Collateral Required

The lender obtains the best collateral available to secure the loan. Collateral must be adequate to protect the interest of the lender and the government.

Preapplication/Application

Pre-applications are required in some instances. **USDA Rural Development can only accept Pre-applications and/or Applications from eligible lenders.**

A Pre-application is normally recommended for all projects; however, an Application only (no Preapplication) may be filed when:

- There is an existing business with a proven track record
- There are no significant changes in ownership or management of the business
- There is an expansion directly related to the existing operation
- A preapplication will be required for all loans of \$5 million or more

Certified Lender Program (CLP)

- Objective is to expedite loan approval, making and servicing
- Must be eligible lender authorized to do business in the state in which CLP status is desired
- CLP status effective for 5 years, may be renewed



RURAL BUSINESS ENTERPRISE GRANTS (RBEG)

RD Instruction 1942-G

Purpose

Finance and facilitate development of private business enterprises.

Policy

Support the development of small and emerging business enterprises in rural areas.

Small and Emerging Private Business Enterprise

- Any private business which will employ 50 or fewer new employees as a result of the RBEG
- Must meet certain limitations on gross revenues

Eligibility

Public bodies and non-profit entities including Federally recognized Indian Tribe groups in rural areas.

Population Limit

Projects must be located in communities with population under 50,000. Priority is given to applications from communities of 25,000 and less.

Priority Determination

The Project Selection Criteria form (Attachment 1, Section C of Instruction 1942-G) is used to calculate the priority points. Priority points are assigned for the following criteria: population, economic conditions, experience, commitment of nonfederal funds, jobs created, etc.

Three Types of Projects Authorized

1. Infrastructure/Construction Projects

- Roads, Streets, utilities, parking lots, elevated storage tanks, etc.

2. Technical Assistance

- For private business enterprise project
- Scope of work would include a budget which includes salaries, fringe benefits, consultant cost, indirect cost and other appropriate direct cost for the project
- Specify specific purpose of technical assistance
- Time frames of project
- Scope of work will be used to measure performance

3. Revolving Loan Fund

- Providing financial assistance to third parties through a loan
- Must submit plan which will include:
 - Planned projects to be financed
 - Sources of all non-RBEG funds
 - Purposes of loans
 - Number of jobs created or saved
 - Project priority and length of time involved in completion of each project
 - Information which will establish need for revolving loan fund
 - Financial statements which will demonstrate the financial ability of the applicant to administer the revolving loan fund
 - Details on applicant's experience in operating a revolving fund
 - Rates, terms and charges on loans must be reasonable and for authorized purposes

Eligible Grant Purposes

Grant funds may be used to finance and/or develop small and emerging private business enterprises in rural areas including, but not limited to, the following:

- Acquisition and development of land, easements and rights-of-way
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities and pollution control and abatement facilities
- Loans for startup operating costs and working capital
- Technical assistance for private business enterprises
- Reasonable fees and charges for professional services necessary for the planning and development of the project, including packaging. Services must be provided by individuals licensed in accordance with appropriate State accreditation associations
- Refinancing of debts exclusive of interest incurred by or on behalf of an association before an application for a grant when all of the following exist
 - The debts were incurred for the facility or part thereof or service to be installed or improved with the grant, and
 - Arrangements cannot be made with the creditors to extend or modify the terms of the existing debt
- Providing financial assistance to third parties through a loan
- Training, when necessary, in connection with technical assistance

Ineligible Grant Purposes

Grant funds will not be used:

- To produce agriculture products through growing, cultivation and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations or limited agricultural production related to technical assistance projects
- To finance comprehensive area wide-type planning. This does not preclude the use of grant funds for planning for a given project
- For loans by grantees when the rates, terms and charges for those loans are not reasonable or would be for purposes not eligible under paragraph 1942.306 of Instruction 1942-G
- For programs operated by cable television systems
- To fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project

At least 51% of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

Pre-application

Form SF-424.1 is used for non-construction projects and Form SF-424.2 is used when construction will be involved. A narrative describing the proposed project should accompany the Pre-application form.

RURAL BUSINESS OPPORTUNITY GRANTS (RBOG)

RD Instruction 4284-G

Purpose

Promote sustainable economic development in rural communities.

Policy

Assist in the economic development of rural areas.

Eligibility

Public bodies and non-profit entities including Federally recognized Indian Tribe groups in rural areas and cooperatives with members that are primarily rural residents and that conduct activities for the mutual benefit of the members.

Population Limit

Projects limited to communities with a population below 50,000.

Priority Determination

The RBOG Application Priority Score Sheet form (Exhibit B of Instruction 4284-G) is used to calculate the priority points. Priority points are assigned for the following criteria: population, economic conditions, experience, commitment of nonfederal funds, population losses, job losses, poverty, major employer/military base closures, natural disasters, etc.

Eligible Grant Purposes

- Identify and analyze business opportunities such as feasibility and marketing plan studies
- Identify, train, and provide technical assistance to rural entrepreneurs and managers
- Establish business support centers
- Conduct local community or multi-county economic development planning

- Establish training centers that will provide training to rural businesses and will utilize interactive communications technologies to develop international trade opportunities and markets
- Conduct leadership development training of existing or prospective rural entrepreneurs and managers

Ineligible Grant Purposes

Grant funds will not be used to:

- Duplicate current services or replace or substitute support previously provided
- Pay costs of preparing the application package for funding under this program
- Pay costs of the project incurred prior to the effective date of the grant
- Fund political activities
- Assist businesses that do not have at least 51% of ownership by those who are US citizens or legally admitted permanent residents
- Pay any judgment or debt owed to the United States
- Pay costs of real estate acquisition or development or building construction.
- At least 51% of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence

Application:

- Form SF-424.1
- A narrative describing the proposed project
- Applicant's organizational documents
- Proposed scope of work

INTERMEDIARY RELENDING PROGRAM

RD Instruction 4274-D

Purpose:

Finance business facilities and community development projects in rural areas - loans are made to intermediaries who establish a revolving loan fund.

Intermediaries lend these funds to ultimate recipients for business facilities or community development. As the ultimate recipient loans are repaid, the amount of collections in excess of necessary operating expenses and debt repayment are put back into the revolving loan fund and are used for more loans to more ultimate recipients.

Eligibility Requirements

Intermediary:

- Private nonprofit corporations
- Public agencies
- Indian groups (Federally recognized)
- Cooperatives
- Intermediaries must:
 - Have legal authority to carry out the proposed loan purposes and to incur and repay the debt
 - Have a successful record of assisting rural business and industry including experience in making and servicing commercial loans
 - Provide adequate assurance of repayment
 - At least 51% of owners/members be U.S. citizens or admitted for permanent residence
 - Be unable to obtain the proposed loan elsewhere at reasonable rates and terms

Ultimate Recipients

- Private corporations
- Public organizations
- Individuals

- At least 51% of owners/members be U.S. citizens or admitted for permanent residence
- Be unable to obtain the proposed loan elsewhere at reasonable rates and terms

Eligible Loan Purposes

Intermediary

- Provide loans to ultimate recipients.

Ultimate Recipients

- Community development projects
- Establishment of new businesses and/or expansion of existing business
- Creation of new jobs and/or save existing jobs
- Use labor of low-income persons when possible
- Loan funds may be used for:
 - Business acquisitions, construction, conversion, enlargement, repair, modernization or development costs
 - Purchasing and development of land, easements, rights-of-way, building, facilities, leases or materials
 - Pollution control and abatement.
 - Transportation services
 - Startup operating costs and working capital
 - Interest
 - Feasibility study
- Specified reasonable fees and charges
- Aquaculture including conservation, development and utilization of water for aquaculture

Ineligible Loan Purposes

Intermediary

Loans may not be used for or made to:

- Intermediary's own administrative costs
- Purchase goods or services or render assistance in excess of what is needed to accomplish the purpose of the ultimate recipient project
- Distribution or payment to owner, partner, shareholder or beneficiaries of ultimate recipient or family when portion of equity will be retained
- Charitable and educational institutions, churches and affiliated organization, and fraternal organizations
- Government employees, military personnel or principals/employees of the intermediary who are directors, officers or have major (20% or more) ownership in ultimate recipient
- Relending in community of 25,000 or more population
- Finance more than 75% of total cost of project
- Loan to ultimate recipient plus outstanding balance of any existing IRP loan cannot exceed \$250,000

Ultimate Recipient

May not use assistance for:

- Agriculture production and harvesting except as noted in procedure
- Transfer of ownership unless loan will keep business from closing, prevent loss of jobs or expand job opportunities
- Community antenna television services or facilities
- Legitimate business activity when more than 10% of annual gross revenue is derived from legalized gambling activity
- Any illegal activity
- Otherwise eligible project that is in violation of a Federal, State or local environmental protection law or regulation or enforceable land use restriction unless loan will result in curing or removing the violation

Terms

Intermediaries

- 30-year repayment
- Payments due at least annually

Ultimate Recipients

- Terms of loans to ultimate recipients are set by the intermediary as agreed to by USDA Rural Development

Interest Rate

- Intermediaries - 1% per annum
- Ultimate Recipients - Negotiated between the intermediary and the ultimate recipient. Intermediaries should provide lowest possible rate

Security Required

Loans to intermediaries are collateralized and may include:

- Real or personal property capable of being mortgaged, pledged or otherwise encumbered by an intermediary or ultimate recipient in favor of USDA Rural Development
- Lien on the IRP revolving fund
- Assignment of note(s) and security pledged by ultimate recipients

Loans to ultimate recipients

- Security requirements will be negotiated between the intermediary and the ultimate recipient and must be approved by USDA Rural Development

Application

Form 4274-1, Application for Loan (Intermediary Relending Program).

Documentation of Intermediary's proposed revolving loan fund work plan

VALUE ADDED PRODUCER GRANTS

Overview

The program is intended to help producers increase their revenues through value-added activities that expand the customer base for their products or commodities.

General Information

- The maximum award per grant is \$200,000 for working capital and \$75,000 for planning (subject to change annually)
- Applicants must provide matching funds at least equal to the amount of the grant
- All business applicants must have a DUNS number, individuals are exempt

Eligible Applicants

- Independent producers
- Individual producer or a producer owned corporation, LLC, or LLP
- Steering committee of producers in the process of organizing
- Cannot produce under contract or joint ownership with any group other than their own
- Agricultural producer groups
- Trade association or commodity group representing independent producers
- Farmer or rancher cooperatives
- Business ventures that are majority owned and controlled by producers, producer groups, cooperatives, and majority owned businesses must be entering emerging markets
- A new product going into an old or new market
- An old product going into a new market

Eligible Products

- Products that have undergone a change in a physical state or form
 - Example: Milling wheat into flour, slaughtering beef

- Products produced in a manner that enhances its value, as demonstrated by a business plan
 - Example: Organically produced
- Physical segregation of products in a manner that enhances its value
 - Example: Identity preserved marketing system
- Using agricultural products to produce renewable energy on a farm
 - Example: Generate energy from animal waste methane

Eligible Purposes

- Planning activities
- Feasibility studies, marketing and business plans, legal evaluations
- Working capital. Legal and accounting costs, salaries, utilities, inventories, office equipment, supplies, etc. (to receive working capital, applicants must furnish an independent feasibility study and a business plan for Rural Development approval)
- Can apply for either Working Capital or Planning grant, but not both

Ineligible Purposes

- Costs associated with buildings or equipment
- Engineering design for a specific facility
- Costs incurred prior to receiving the grant
- Expenses related to agricultural production
- Pay for preparation of the grant application
- Expenses not directly related to the funded venture

For more information visit the Value Added website at:

http://www.rurdev.usda.gov/BCP_VAPG_Grants.html

RURAL ECONOMIC DEVELOPMENT LOANS

7 CFR 4280 Subpart A



Purpose

To help farmers, ranchers and rural small businesses purchase renewable energy systems and make energy efficiency improvements

Applicants

- Agriculture Producers
- Rural Small businesses

Eligibility

- Agricultural producers must obtain at least 50% of gross income from their agriculture business
- Small businesses must meet the Small Business Definition as determined by the SBA for the specific industry
- Located in a rural area of not more than 50,000 population

Eligible projects

Renewable energy or energy efficiency projects are eligible. Renewable energy projects are defined where energy is derived from wind, solar, biomass, geothermal, or for which hydrogen is derived from biomass or water. The term biomass includes any organic material that is available on a renewable or recurring basis such as: agricultural crops, trees grown for

energy production, wood waste and wood residues, plants (including aquatic plants and grasses), residues, fibers, animal wastes and other waste materials, and fats, oils and greases (including those that are recycled).

Projects must be located in a rural area utilizing commercially available, replicable and feasible technology.

Applicant must be owner of the project and control the operation and maintenance of the proposed project.

The project must have sufficient revenues to provide for operation and maintenance.

Eligible Projects costs

All costs must be an integral and necessary part of the total project. Examples include;

- Post-application purchase and installation of equipment, except agricultural tillage equipment and vehicles;
- Post-application construction or project improvements except for residential;
- Energy audits or assessments;
- Permit fees;
- Professional service fees, except for application preparation;
- Feasibility studies;
- Business plans
- Retrofitting; and
- For energy efficiency projects, construction of a new facility only when the facility is used for the same purpose, is approximately the same size, and based on the energy audit will provide more energy savings than improving an existing facility. Only costs identified in the energy audit are allowed.

Grant Funding

- Grant amount may not exceed 25% of eligible project costs

- Minimum grant request is \$2,500 for renewable energy projects (\$1,500 for energy efficiency projects)
- For renewable energy projects, the maximum grant is \$500,000 and all requests over \$300,000 require a feasibility study prepared by and a qualified independent consultant.
- For energy efficiency projects, the maximum grant is \$250,000 and all projects with total costs over \$50,000 require an energy audit prepared by a qualified independent consultant.

Application Requirements

To qualify for funding, all applications must meet the application requirements and all projects must meet technical and environmental requirements.

There are different technical requirements for proposed projects based on the type of technology and size of the project. Renewable energy projects with total project costs over \$400,000 require the services of a Professional Engineer.

More guidance on the technical requirements can be found at <http://www.rurdev.usda.gov/MO-REAP.html>

Any project receiving federal funds is subject to the environmental requirements of the National Environmental Policy Act (NEPA).

How to Apply

To discuss a project and obtain an application, interested applicants should contact the Business Program Specialist that serves your county. For a list of office locations and counties served, please refer to page 5 or go to http://www.rurdev.usda.gov/SupportDocuments/MO-BP_Service_Regions.pdf

How will Applications be Selected

Applications will be scored and selected based on the following criteria:

- Energy savings
- Quantity of energy produced
- Environmental benefits
- Commercial availability
- Cost effectiveness
- Matching funds
- Project management



RURAL ECONOMIC DEVELOPMENT LOANS

7 CFR 4280 Subpart A

Purpose

Provide 0% interest rate loans to Rural Development Electric Program or Telephone borrowers (Rural Electric Cooperatives and REA telephone borrowers) to promote rural economic development and/or job creation projects.

Policy

- Promote projects that will result in a sustainable increase in the productivity of economic resources in rural areas thereby leading to a higher level of income for rural citizens
- Borrowers promote economic development in rural areas and job creation projects that (1) are based on sound economic and financial analysis and (2) take a long-term perspective
- Encourage economic development in rural areas and job creation projects without regard to service area
- Promote financially viable projects

Eligibility

- Any Rural Development electric or telephone borrower, including pre-paid borrowers, not delinquent on any Federal debt or in bankruptcy proceedings
- Supplemental funding (20% of the amount of the 0% interest loan or grant) is required. It may be provided by the project owner in the form of equity funds, private sources, state and local government sources, other Federal Government sources, the Rural Development borrower, etc.

Eligible Loan Purposes

Projects which will promote rural economic development and/or job creation are eligible for loans. Examples include:

- Business expansion and start-up
- Community development
- Business incubator projects
- Medical and educational projects

Ineligible Loan Purposes

- Project in which any director, officer, manager or stockholder or relative thereof, who has a significant ownership interest or which would present a potential for, or appearance of, a conflict of interest
- Costs incurred, and not authorized, prior to receipt of completed application
- Purchase or lease of any real property materials, equipment, or services from the borrower, stockholders, officers, managers, or close relatives without prior approval
- Refinancing any debt incurred prior to receipt of application
- For the Borrower's electric or telephone operation or for any electric or telephone purpose
- Any operation affiliated with the borrower without prior approval
- Salaries of employee or owner of the borrower or affiliates
- Community antenna television systems or facilities unless in conjunction with educational or medical entities and projects

Terms

- Maximum size of loan: \$2,000,000 (Changes Annually)
- Minimum size of loan: \$ 10,000

- Promissory note for repayment is between USDA Rural Development and the utility borrower
- Repayment terms are based on the nature of the project but will not exceed 10 years. Repayment by the recipient must equal the terms to the Rural Development borrower
- Principal repayments may be deferred for up to two years (one year for existing business).

Applications

Applications may be filed at any time, but are selected for funding by the National Office on monthly basis.

Applications are prepared jointly by the Rural Development borrower and the ultimate recipient applicant and are filed by the Rural Development borrower. The application consists of:

- SF Form 424, Application for Federal Assistance
- Board Resolution
- Miscellaneous Federal forms and certifications such as:
- AD-1047, Certification Regarding Debarment, Suspension and Other Responsibility Matters

- Assurance statement or certification statement regarding uniform relocation assistance
- Contingent certifications and disclosures such as the Certification Regarding Lobbying

The following factors will be considered in the selection process:

- Narrative discussion of selection factors, project description and discussion of the environmental impact of the proposed project.
- Nature of project
- Job creation projections
- Supplemental funds
- Economic conditions and job creation
- Unemployment rates
- Per Capita personal income
- Change in population
- Number of long-term jobs
- Rural location
- Support for the program - funds deposited in the cushion-of-credit account
- Probability of success
- Special economic status of Project Location/Community



RURAL ECONOMIC DEVELOPMENT GRANTS

7 CFR 4280 Subpart A

Purpose

- Provide grants to Rural Development Electric Program or Telephone borrowers (Rural Electric Cooperatives and REA telephone borrowers)
- Establish revolving loan funds for community facilities and infrastructure.

Eligibility

- Any Rural Development electric or telephone borrower, including pre-paid borrowers, not financially distressed, delinquent on any Federal debt or in bankruptcy proceedings
- The maximum grant is \$300,000 (Changes annually)

Eligible Grant Purposes

- Grant to a Rural Development borrower to establish a revolving loan fund. Rural Development borrower will, in turn, provide loans to foster rural economic development.
 - Community development
 - Business incubators by non-profit groups
 - Facilities and equipment for education
 - Facilities and equipment for medical care

Revolving Loan Funds

- Loans made from repayments of the initial loans may be used for any rural economic development purpose in accordance with a prior agreement between the utility borrower and USDA Rural Development

- The Rural Development utility borrower (grantee) will be required to contribute matching funds to the revolving loan fund in an amount not less than 20% of the Rural Development grant
- Rural Development utility borrowers may charge reasonable loan servicing fees
- Funds must be loaned to project within three years of the date of USDA Rural Development grant approval
- The revolving loan program must be administered in accordance with a revolving loan fund plan, developed by a Rural Development utility borrower and approved by USDA Rural Development
- The plan must outline the following:
 - Specific objectives of the revolving loan fund program, lending parameters, maximum and minimum loan, etc
 - Documentation of borrower's coordination of lending activities with other loan entities that provide financing for rural economic development
 - Eligibility criteria
 - Application process and method of disposition of funds to the project owner
 - Procedure for monitoring the project owner's accomplishments and reporting requirements by the project owner's management
 - Documented need for grant funds
 - Documented authority and ability of Borrower to administer the revolving loan fund
 - Documented ability to commit financial resources under the control of the Borrower to assist in the establishment of a rural development program

- Documentation that Borrower has secured commitments of significant financial support for supplemental support
- List of proposed fees and charges
- Borrower's policy for non-Federal funds

Applications

Applications may be filed at any time, but are selected for funding by the National Office on a quarterly basis.

The application consists of:

- SF Form 424, Application for Federal Assistance
- Board Resolution
- Miscellaneous Federal forms and certifications such as:
 - AD-1047, Certification Regarding Debarment, Suspension and Other Responsibility Matters
 - Assurance statement of certification statement regarding uniform relocation assistance

- Contingent certifications and disclosures such as the Certification Regarding Lobbying
- Narrative discussion of selection factors, project description and discussion of the environmental impact of the proposed project

The following factors will be considered in the selection process:

- Nature of the project
- Job creation projections
- Supplemental funds
- Economic conditions and job creation
- Unemployment rates
- Per Capita personal income
- Change in population
- Number of long-term jobs
- Rural location
- Support of the program - funds deposited in the cushion-of-credit account
- Probability of success
- Special economic status of project location/community

COMMUNITY PROGRAMS LOANS AND GRANTS

PROGRAM SUMMARY

Community Facility Direct and Guarantee Loans

Loans made or guaranteed by USDA Rural Development to public bodies, not-for-profit entities or Indian tribes, to finance essential public use facilities and equipment (health, fire, nutrition, libraries, etc.) Projects limited to location in communities with a population of 20,000 or less.



Community Facility Grants

Grants made by USDA Rural Development to public bodies, not-for-profit entities or Indian tribes, to finance essential public use facilities and equipment (health, fire, nutrition, libraries, etc.) Projects limited to location in communities with a population of 20,000 or less.



Water and Waste Loan/Grant/Guarantee

Loans/Grants/Guarantees made by USDA Rural Development to public bodies, not-for-profit entities or Indian tribes to finance needed public water and waste facilities. Projects limited to location in communities with a population of 10,000 or less.



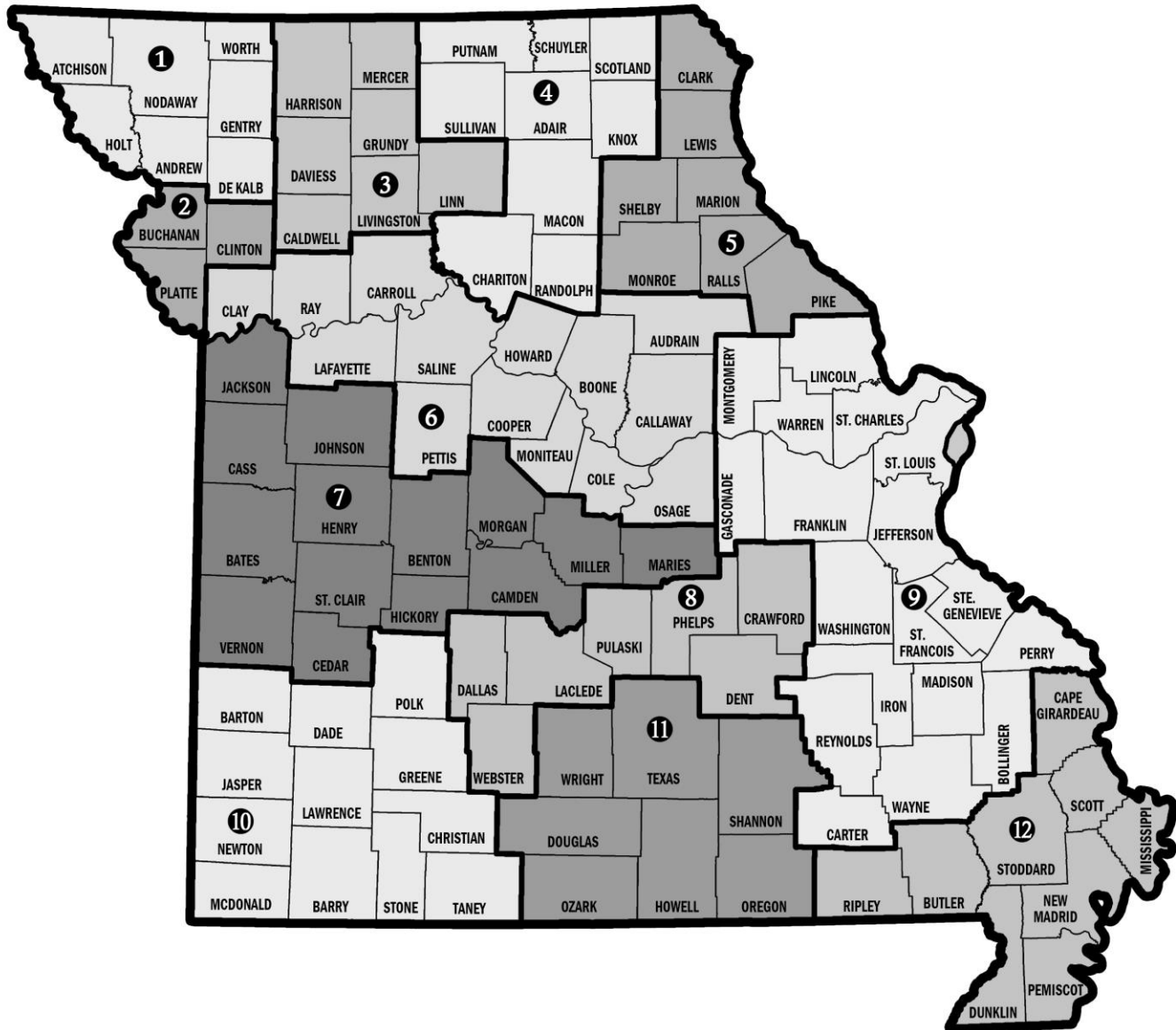
Solid Waste Management Grants

Grants made by USDA Rural Development to public bodies, not-for-profit entities or Indian tribes to reduce/eliminate pollution of water resources or improve planning and management of solid waste sites. Projects limited to location in communities with a population of 10,000 or less.

Emergency Community Water Assistance Grants

Grants made by USDA Rural Development to public bodies, not-for-profit entities or Indian tribes, to finance a water system that has significant decline in quantity or quality of water due to a natural disaster. Projects limited to location in communities with a population of 10,000 or less.

COMMUNITY PROGRAMS MAP AND SERVICING OFFICES



COMMUNITY PROGRAMS

MAP AND SERVICING OFFICES

	Office	Phone Number	Counties Served
1	Maryville Sub-Area Office 502 W. South Hills Drive Maryville, MO 64468-2664	(660) 582-7421, Ext. 4	Andrew, Atchison, DeKalb, Gentry, Holt, Nodaway, and Worth
2	St. Joseph Area Office 3915 Oakland Avenue St. Joseph, MO 64506	(816) 364-3927, Ext. 4	Buchanan, Clinton, and Platte
3	Chillicothe Sub-Area Office 1100 Morton Parkway Chillicothe, MO 64601	(660) 646-6222, Ext. 4	Daviess, Grundy, Harrison, Linn, Livingston, Mercer, and Caldwell
4	Kirksville Sub-Area Office 2410 S Franklin St. Kirksville, MO 63501	(660) 665-3274, Ext. 4	Adair, Chariton, Knox, Macon, Putnam, Randolph, Schuyler, Scotland, Sullivan
5	New London Sub-Area Office 17623 Highway 19 New London, MO 63459	(573) 985-7211, Ext. 4	Clark, Lewis, Marion, Monroe, Pike, Ralls, and Shelby
6	Sedalia Sub-Area Office 1407 W 32nd St Sedalia, MO 65301-8613	(660) 826-3339, Ext. 4	Audrain, Boone, Callaway, Carroll, Clay, Cole, Cooper, Howard, Lafayette, Moniteau, Osage, Pettis, Ray, and Saline
7	Clinton Area Office 1306 N 2nd St. Clinton, MO 64735	(660) 885-5567, Ext. 4	Bates, Benton, Camden, Cass, Cedar, Henry, Hickory, Jackson, Johnson, Maries, Miller, and Morgan, St. Clair, and Vernon
8	Rolla Sub-Area Office 1050 Hwy 72 E Rolla, MO 65401-3962	(573) 364-1479, Ext. 4	Crawford, Dallas, Dent, Laclede, Phelps, Pulaski, and Webster
9	Farmington Sub-Area Office 812 Progress Drive Farmington, MO 63640	(573) 756-6413, Ext. 4	Bollinger, Carter, Franklin, Gasconade, Iron, Jefferson, Lincoln, Madison, Montgomery, Perry, Reynolds, St. Francois, St. Charles, St. Louis, Ste. Genevieve, Warren, Washington, and Wayne
10	Neosho Sub-Area Office 1900 S. Bus. Hwy 71 S Neosho, MO 64850-2942	(417) 451-1007, Ext. 4	Barry, Barton, Christian, Dade, Greene, Jasper, Lawrence, McDonald, Newton, Polk, Stone, and Taney
11	Houston Sub-Area Office 6726 S. Hwy 63, Suite B Houston, MO 65483-2701	(417) 967-2028, Ext. 4	Douglas, Howell, Oregon, Ozark, Shannon, Texas, and Wright
12	Dexter Sub-Area Office 18450 Ridgeview Lane Dexter, MO 63841	(573) 624-5939, Ext. 4	Cape Girardeau, Butler, Dunklin, Mississippi, New Madrid, Pemiscot, Ripley, Scott, and Stoddard

COMMUNITY FACILITY DIRECT LOANS

RD Instruction 1942-A

Purpose

Provide financing to improve, or develop essential community facilities in rural areas (Fire and rescue are covered in RD Instruction 1942-C).

An essential community facility is a public improvement needed for beneficial and orderly development of a rural community and is operated on a nonprofit basis.

Eligibility

- Public bodies such as municipalities (cities, towns and villages), counties and special purpose districts (such as nursing home districts)
- Nonprofit corporations
- Federally recognized Indian tribes

Population Limit

Loans will not be made in a city or town with a population in excess of 20,000. Priority will be given to communities with populations of less than 5,000.

Test for Credit

Applicant must certify, and USDA Rural Development must concur, that it is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

Eligible Loan Purposes

Construct, enlarge, extend or otherwise improve essential community facilities including, but not limited to:

- Health services
- Community, social or cultural services
- Transportation facilities such as streets, roads and bridges
- Hydroelectric generating facilities and related connecting systems and

appurtenances, when not eligible for RUS electric financing

- Supplemental and supporting structures for other rural electrification or telephone systems when not eligible for RUS electric financing
- Natural gas distribution system
- Industrial park sites (only land acquisition and site preparation)

Otherwise improve includes, but is not limited to, the following:

- Purchase of major equipment which will provide an essential service to rural residents
- Purchase of existing facilities to improve or prevent a loss of service

Funds may also be used to:

- Construct or relocate public buildings, roads, bridges, fences or utilities
- Relocate private buildings, roads, bridges, fences or utilities
- Pay for the following expenses:
- Reasonable fees and costs
 - Interest
 - Costs of acquiring interest in land and rights
 - Purchasing or renting equipment
 - Initial operating expenses

Refinancing debts when all of the following exist:

- Debts being refinanced are secondary part of loan (less than 50%)
- Debts being refinanced were incurred for facility or service being currently financed
- Arrangements cannot be made with present creditors to extend or modify terms of the existing debts

Ineligible Loan Purposes

- Facilities which are not modest in size, design and cost
- Loan finder's fees
- On-site utility systems or business and industrial buildings in connection with industrial parks
- Facilities to be used primarily for recreation purposes
- Community antenna television services or facilities
- Electric generation or transmission facilities or telephone systems except in limited circumstances

Loan Terms

- Loan will not exceed the useful life of the facility
- Loan will not exceed 40 years for nonprofit corporation
- Public body revenue bonds will not exceed 35 years
- Principal may be deferred the first two years

Interest Rates

There are three interest rate levels: poverty, intermediate and market. The type of rate applicable to a project is dependent on the Median Household Income of the service area.

The poverty rate is appropriate if the median household income of the service area is below the poverty line* or is below 80% of the state nonmetropolitan median household income (\$36,350) and the loan is to upgrade existing facilities or construct new facilities required to meet applicable health or sanitary standards.

The intermediate rate applies to loans that, 1) although the median household income in the service area is below the poverty line, they do not meet the loan use requirements for the poverty line rate, and 2) the median household income is not more than 100% of the nonmetropolitan median household income of the state (\$45,438).

The market rate applies to all loans that do not qualify for the poverty or intermediate rates.

Currently, the poverty rate is 4.5%. The market rate is adjusted quarterly based on a bond buyer index. The intermediate rate is midway between the poverty and market rates.

NOTE: For essential community facility loans, the current interest rate will be increased by two percent if the project being financed will involve the use of, or construction on, prime or unique farmland.

Security

Loan will be secured by the best security position practicable to protect the interest of the Government during the repayment of the loan. In Missouri, loans to public bodies are normally secured by revenue bonds. Loans to nonprofit corporations are secured by a note and real estate deed of trust. Assignments are usually taken on accounts, contract rights, general intangibles, equipment and fixtures.

Feasibility Requirements

- RD Instruction 1942-A [1942.17(h)] apply
- These instructions do allow some flexibility depending on the size and nature of the project

Preapplication

- Standard Form 424.2, Preapplication
- State Intergovernmental Review
- Applicant's certification on other credit
- Supporting documentation
 - Current financial statements
 - Audits
 - Organizational documents (if nonprofit)
 - Certificate of Incorporation
 - Articles of Incorporation
 - Bylaws
 - Existing debt instruments
- Project write-up and information on the applicant

*The poverty line amount is updated annually. As of January 2014 the poverty line is \$23,550.

COMMUNITY FACILITY GUARANTEED LOANS

RD Instruction 3575-A



Purpose

Provide financing to improve or develop essential community facilities in rural areas.

Eligibility

Non-profit corporations, public bodies or federally recognized Indian tribal groups are eligible.

- ***Non-Profit Corporations*** - These are the only type of entities that we have made guaranteed loans to in Missouri. The entity must have significant ties to the local community such as control by a public body or broadly based ownership and controlled by members of the local community.
- ***Public Bodies*** (cities, counties, districts, etc.) Public bodies are normally not eligible for guaranteed loans in Missouri.
 - Generally, these entities cannot issue notes and deeds of trust
 - USDA Rural Development cannot guarantee tax-exempt bonds
 - Public bodies generally are totally against issuing taxable bonds
 - Banks can purchase bonds for their own portfolio but not to resell
 - In order to assist public bodies with their needs, we have allowed them to form not-for-profit entities off of the public body

- Generally, have full or at least majority of interlocking Board of Directors that are directors of the public body and the not-for-profit corporation
- The nonprofit is the borrower/owner and signs all security instruments
- The nonprofit leases facility to public body for enough rent to pay debt service, O&M and reserve. USDA Rural Development generally takes an assignment on the lease
- Nothing can be addressed in the loan documents or lease about future sale of facility to the public body

Legal Authority and Responsibility

The borrower shall be responsible for operating, maintaining and managing the facility and providing for its continued availability and use at reasonable terms and rates even though the facility may be operated, maintained or managed by a third party under contract, management agreement or written lease.

Eligible Loan Purposes

- Construct, enlarge, extend or otherwise improve essential community facilities (any community facility that is essential to the beneficial and orderly development of that community) operated on a nonprofit basis such as:
 - Fire, rescue and public safety
 - Health services
 - Community, social or cultural services
 - Transportation facilities such as streets, roads, bridges

- Hydroelectric generating facilities (when not eligible for RUS Electric financing)
- Supplemental and supporting structures for other rural electrification or telephone systems when not eligible for RUS Electric financing
- Natural gas distribution systems
- Industrial park sites (only land acquisition and site preparation)
- ***Otherwise improve*** includes, but is not limited, to the following:
 - Purchase of major equipment which will provide an essential service to rural residents
 - Purchase of existing facilities to improve or prevent a loss of service
 - Payment of tap fees and other utility connection charges as provided in utility purchase contracts
- Funds also may be used:
 - Construct or relocate public buildings, roads, bridges, fences or utilities
 - Relocate private buildings, roads, bridges, fences or utilities
 - Pay the following expenses
 - Reasonable fees and costs
 - Interest
 - Costs of acquiring interest in land and rights
 - Purchasing or renting equipment
 - Initial operating expenses
 - Refinancing debts when all of the following exist:
 - Debts being refinanced are secondary part of loan (less than 50%)

- Debts being refinanced were incurred for facility or service being currently financed
- Arrangements cannot be made with present creditors to extend or modify terms of the existing debts
- Pay obligations for construction incurred before issuance of the Conditional Commitment (only in limited instances)

Ineligible Loan Purposes

- On-site utility systems of business or industrial buildings in industrial park
- Community antenna television services or facilities
- Electric generation or transmission facilities or telephone system in some instances
- Facilities not modest in size, design and cost
- Finder's and packager's fees
- New combined sanitary and storm water sewer facilities

Population Limit

Loans will not be made to any city or town with a population in excess of 20,000 nor will a facility be located in any city or town with a population in excess of 20,000.



Test for Credit

Both borrower and lender must certify credit would be unavailable to the borrower without the guarantee.

Guarantee Fee/Guarantee Limit

- A guarantee fee of 1% of the guaranteed portion of the loan is required
- The loan guarantee will normally not exceed 90%

Lender's Exposure

Lender must retain 5% of the total guaranteed loan amount and it must be of the unguaranteed portion and cannot be participated.

Interest Rates

- Will not be more than 1.5% over prime (USDA Rural Development policy)
- Annual and life of loan interest rate caps will be negotiated between borrower and lender.
- Fixed or variable rate allowed. A variable rate must be tied to a base rate published periodically in a recognized national or regional financial publication and specifically agreed to by the lender, borrower and USDA Rural Development
- Note with variable rate will incorporate provision for adjustment to eliminate the possibility of a balloon payment

Loan Terms

- Loan will not exceed 40 years
- Loan will not exceed useful life of facility
- USDA Rural Development will not guarantee any note in which the loan documents provide for payment of interest upon interest

Feasibility Requirements

- These instructions do allow some flexibility depending on the size and nature of the project.

What is Needed From Lender for a Preapplication?

- Standard Form 424.2, Preapplication
- State Intergovernmental Review
- Applicant's certification on other credit
- Lender's certification they would not make the loan without the guarantee
- Lender's proposed loan terms
- Supporting documentation
 - Current financial statements
 - Audits
- Organizational documents
 - Certificate of Incorporation
 - Articles of Incorporation
 - Bylaws
- Existing debt instruments
- Project write-up, information on the applicant and the lender's recommendation



COMMUNITY FACILITY GRANTS

RD Instruction 3570-B

Purpose

Assist in development of essential Community Facilities in rural areas. An essential Community Facility is a public improvement needed for beneficial and orderly development of a rural community and is operated on a non-profit basis.

Eligibility

- Public bodies such as a municipality, county and special purpose districts such as nursing home districts
- Non-profit corporation
- Federally recognized Indian Tribe

Population Limit

Grants will not be made in a city or town with a population in excess of 20,000. Priority will be to communities less than 5,000 population.

Income Limit

Grants will not be made in a city or town with a median household income of more than 90% of the state non-metropolitan median household income. Currently, 90% of the state non-metropolitan household income equals \$40,894. Priority will be given to communities with a median household income below 60% of the state non-metropolitan median household income.

Grant Limits

In no case will the grant amount exceed 75% of the project costs. There are four levels of percentage of grant assistance ranging from 75% down to 15%. Percentage of grant assistance is determined by population and income. Grant assistance to a particular project cannot exceed 50% of the state's allocation.

Test for Credit

Applicant must certify and USDA Rural Development must concur that it is unable to finance the proposed project without the grant assistance

Eligible Grant Purposes

Construct, enlarge, extend or otherwise improve essential community facilities including, but not limited to:

- Health services
- Community, social or cultural services and facilities
- Purchase of major equipment which will provide an essential service to rural residents (such as ambulance and fire truck)

Ineligible Grant Purposes

- Pay any annual recurring costs such as purchases and rentals that are generally considered to be operating and maintenance expenses
- Refinance existing indebtedness
- Pay Interest
- Construct or repair electric generating plants, electric transmission lines or gas distribution lines to provide services for commercial sale

Pre-Application

- Standard Form 424-2, Pre-application
- State Intergovernmental Review
- Applicant's certification on other credit
- Supporting documentation
 - Current financial statements
 - Audit
 - Organizational documents (if non-profit)
 - Certificate of Incorporation
 - Articles of Incorporation
 - Bylaws
 - Existing debt instruments
- Project write up and information on the applicant

FIRE AND RESCUE LOANS

RD Instruction 1942-C



Purpose

Provide financing for fire and rescue services.

Eligibility

- Nonprofit corporations
- Public bodies
- Federally recognized Indian tribes

Population Limit

Loans will not be made in a city or town with a population in excess of 20,000. Priority will be given to communities with a population of less than 5,000.

Test for Credit

Applicant must certify, and USDA Rural Development must concur, that it is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

Eligible Loan Purposes

- Construct, enlarge, extend or otherwise improve essential community facilities primarily providing fire or rescue services primarily to rural residents and rural businesses. Rural business would include facilities such as educational and other publicly owned facilities. Otherwise improve" includes, but is not limited to, the following:

- Purchase of major equipment, such as fire trucks and ambulances, which will, in themselves, provide an essential service to rural residents
- Purchase of existing facilities when it is necessary either to improve or to prevent a loss of service
- Pay the following expenses when they are necessary:
 - Reasonable fees and costs (such as legal)
 - Interest
 - Costs of acquiring interest in land and rights
 - Purchasing or renting equipment
 - Initial operating expenses
 - Refinancing debts when all of the following exist:
 - Debts being refinanced are secondary part of loan
 - Debts being refinanced were incurred for facility or service being currently financed
 - Arrangements cannot be made with present creditors to extend or modify terms of the existing debts

Ineligible Loan Purposes

- Facilities which are not modest in size, design and cost
- Loan finder's fees

Loan Terms

- Loan will not exceed the useful life of the facility or the equipment being financed
- Loan will not exceed 40 years for not-for-profit corporations

Interest Rates

There are three interest rate levels: poverty, intermediate and market. The type of rate applicable to a project is dependent on the Median Household Income of the service area.

- The poverty rate is appropriate if the median household income of the service area is below the poverty line* or is below 80% of the state nonmetropolitan median household income (\$36,350) and the loan is to upgrade existing facilities or construct new facilities required to meet applicable health or sanitary standards
- The intermediate rate applies to loans that, 1) although the median household income in the service area is below the poverty line, they do not meet the loan use requirements for the poverty line rate, and 2) the median household income is not more than 100% of the nonmetropolitan median household income of the state (\$45,438). The market rate applies to all loans that do not qualify for the poverty or intermediate rates

Currently, the poverty rate is 4.5%. The market rate is adjusted quarterly based on a bond buyer index. The intermediate rate is midway between the poverty and market rates.

NOTE: For essential community facility loans, the current interest rate will be increased by two percent if the project being financed will involve the use of, or construction on, prime or unique farmland.

*The poverty line amount is updated annually. As of January 2014, the poverty line is \$23,550.

Security

Loans will be secured by the best security position practicable to protect the interest of the Government during the repayment of the loan.

In Missouri, loans are normally made to nonprofit corporations which are secured by a note and real estate deed of trust (if applicable). Assignments are usually taken on accounts, contract rights, general intangibles, equipment

and fixtures. A pledge of revenue and a lien on all equipment purchased is required.

Feasibility Requirements

All projects financed must be based on a satisfactory source of revenue sufficient to provide for operation and maintenance, reserve and debt payment. The applicant is expected to provide a financial feasibility report: 1) using Form RD 1942-54, Applicant's Feasibility Report, or 2) as part of the preliminary engineering/architectural report using Guide 6 of RD Instruction 1942-A.

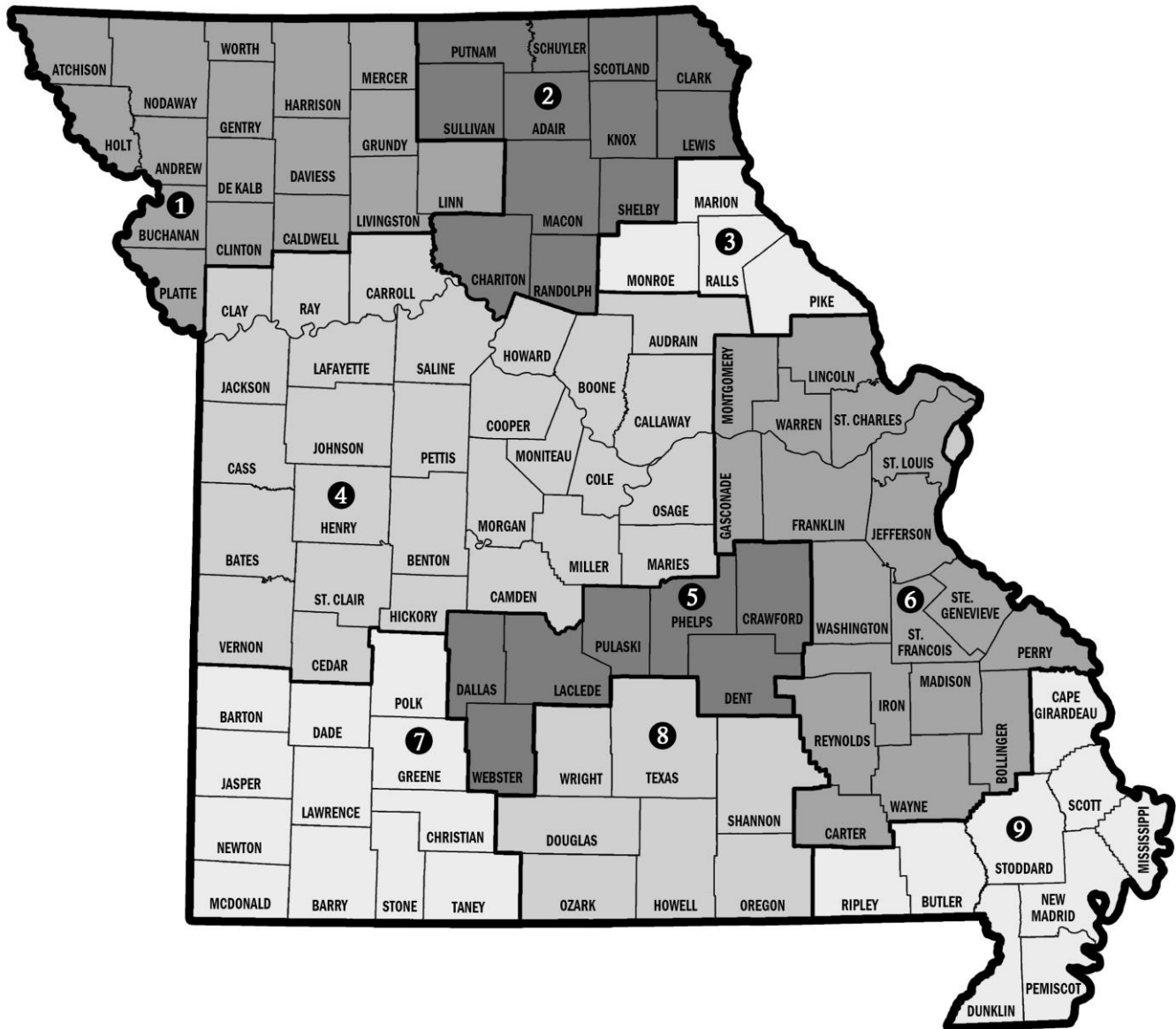
Pre-application/Application

No Preapplication is required.

Application will consist of:

- Application, SF-424.1 (Non-Construction) or SF-424.2 (Construction)
- Form RD 1940-20, Request for Environmental Information (Not required for equipment)
- Questionnaire to Determine Need for Cultural Resource Survey (Not required for equipment)
- Organizational Documentation
 - Certification of Incorporation
 - Articles of Incorporation with amendments
 - Bylaws with amendments
 - Certificate of Good Standing
- Form RD 1942-54, Applicant's Feasibility Report (Stress Item 8 of the form, five years' past audits, financial statements, or lists of income and expenses for the past five years)
- Map of Service Area and User List
- List of Townships Served
- Form RD 1942-52, Cash Flow Projection
- Applicant's Letter on Other Credit
- Preliminary Architectural Report (If building is involved and is not pre-engineered)

WATER & WASTE PROGRAMS MAP AND SERVICING OFFICES



WATER & WASTE PROGRAMS

MAP AND SERVICING OFFICES

	Office	Phone Number	Counties Served
1	St. Joseph Area Office 3915 Oakland Avenue St. Joseph, MO 64506	(816) 364-3927, Ext. 4	Andrew, Atchison, Buchanan, Caldwell, Clinton, Daviess, DeKalb, Gentry, Grundy, Harrison, Holt, Linn, Livingston, Mercer, Nodaway, Platte, and Worth
2	Kirksville Sub-Area Office 2410 S Franklin St. Kirksville, MO 63501	(660) 665-3274, Ext. 4	Adair, Chariton, Clark, Knox, Lewis, Macon, Putnam, Randolph, Schuyler, Scotland, Shelby, and Sullivan
3	New London Sub-Area Office 17623 Highway 19 New London, MO 63459	(573) 985-7211, Ext. 4	Marion, Monroe, Ralls, and Pike
4	Clinton Area Office 1306 N 2nd St. Clinton, MO 64735	(660) 885-5567, Ext. 4	Audrain, Bates, Benton, Boone, Callaway, Camden, Carroll, Cass, Cedar, Clay, Cole, Cooper, Henry, Hickory, Howard, Jackson, Johnson, Lafayette, Maries, Miller, Moniteau, Morgan, Osage, Pettis, Ray, Saline, St. Clair, and Vernon
5	Rolla Sub-Area Office 1050 Hwy 72 E Rolla, MO 65401-3962	(573) 364-1479, Ext. 4	Crawford, Dallas, Dent, Laclede, Phelps, Pulaski, and Webster
6	Farmington Sub-Area Office 812 Progress Drive Farmington, MO 63640	(573) 756-6413, Ext. 4	Bollinger, Carter, Franklin, Gasconade, Iron, Jefferson, Lincoln, Madison, Montgomery, Perry, Reynolds, St. Charles, St. Francois, St. Louis, Ste. Genevieve, Warren, Washington, and Wayne
7	Springfield Area Office 688 S. State Hwy B, Suite 400 Springfield, MO 65802-9109	(417) 831-5246, Ext. 4	Barry, Barton, Christian, Dade, Greene, Jasper, Lawrence, McDonald, Newton, Polk, Stone, and Taney
8	Houston Sub-Area Office 6726 S. Hwy 63, Suite B Houston, MO 65483-2701	(417) 967-2028, Ext. 4	Douglas, Howell, Oregon, Ozark, Shannon, Texas, and Wright
9	Dexter Sub-Area Office 18450 Ridgeway Lane Dexter, MO 63841	(573) 624-5939, Ext. 4	Butler, Cape Girardeau, Dunklin, Mississippi, New Madrid, Pemiscot, Ripley, Scott, and Stoddard

WATER & WASTE DISPOSAL LOANS/GRANTS

RUS Instruction 1780

Purpose

Provide financing for water, sanitary sewerage, solid waste disposal and storm wastewater facilities for rural residents.



Eligibility

- Public bodies such as municipalities (cities, towns and villages), counties, and special purpose districts (water districts and sewer districts)
- Nonprofit corporations
- Federally recognized Indian tribes

Population Limit

Loans and/or grants will not be made to a city or town with a population in excess of 10,000. Priority will be given to communities with a population of less than 5,500.

Test for Credit

Applicant must certify, and USDA Rural Development must concur, that it is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

Eligible Loan Purposes

- Construct, enlarge, extend or otherwise improve water or waste disposal facilities
- Pay fees necessary for the project development such as legal and engineering
- Interest on loan until facility is self-supporting (up to three years)
- Cost of acquiring land, rights-of-way, permits, etc

- Purchase of necessary equipment
- Initial operating expenses
- Refinancing existing debts in limited circumstances
- Debts being refinanced are secondary part of loan (less than 50%)
- Debts being refinanced were incurred for facility or service being currently financed
- Arrangements cannot be made with present creditors to extend or modify terms of the existing debts

Ineligible Loan Purposes

- Facilities which are not modest in size, design and cost
- Loan or grant finder's fees
- New combined sanitary and storm water sewer facilities
- That portion of a water and/or waste disposal facility normally provided by a business or industrial user

Loan Terms

Missouri Statutes limit the term of public body revenue bonds to 35 years. Normally, principal is deferred the first two years. Not-for-profit corporations may borrow for up to 40 years.

Interest Rates

There are three interest rate levels: poverty, intermediate and market. The type of rate applicable to a project is dependent on the Median Household Income of the service area.

The poverty rate is appropriate if the median household income of the service area is below the poverty line* or is below 80% of the state nonmetropolitan median household income (\$36,350) and the loan is to upgrade existing facilities or construct new facilities required to meet applicable health or sanitary standards.

The intermediate rate applies to loans that, 1) although the median household income in the service area is below the poverty line, they do not meet the loan use requirements for the poverty line rate, and 2) the median household income is not more than 100% of the nonmetropolitan median household income of the state (\$45,438).

The market rate applies to all loans that do not qualify for the poverty or intermediate rates.

Currently, the poverty rate is 2.125%. The market rate is adjusted quarterly based on a bond buyer index. The intermediate rate is midway between the poverty and market rates.

*The poverty line amount is updated annually. As of January 2014, the poverty line is \$23,550.

Security

Loans will be secured by the best security position practicable to protect the interest of the Government during the repayment of the loan. In Missouri, water and waste disposal loans to public bodies are normally secured by revenue bonds. In some cases, general obligation bonds can be taken as security if the test for credit requirement can be met. Loans to nonprofit corporations are secured by a note and real estate deed of trust.

Grant Eligibility

Grants are considered only after a determination is made on the maximum amount of loan the community can afford and still have reasonable user rates. When those and other available funds are not sufficient to do the project as the community and USDA Rural Development have agreed upon, they can be considered for grants funds.

Applicants will be considered for grant assistance when the debt service portion of the average annual user cost (for users in the service area) exceeds the following percentages of the median household income (MHI):

- 0.5% when the MHI of the service area is below the poverty line or below 80%

(whichever is higher) of the state nonmetropolitan median household income (\$36,350)

- 1% when the MHI of the service area exceeds the 0.5% requirement but is not more than 100% of the state nonmetropolitan median household income (\$45,438)

Grants may not be made in excess of the following percentages (whichever is higher) of the eligible project development costs:

- 75% when the MHI of the service area is below the poverty line or below 80% of the state nonmetropolitan median household income (\$36,350)
- 45% when the MHI of the service area exceeds the 75% requirement but is not more than 100% of the statewide nonmetropolitan median household income (\$45,438)
- In addition, the percentages contained in the above paragraphs are maximum amounts and may be further limited due to availability of funds or grants.

Applications

- Standard Form 424.2, Application
- Preliminary Engineering Report/Facility Plan with CF Guide 20
- State Intergovernmental Review
- Applicant's Certification on Other Credit
- Most recent audit or latest annual statement of income and expenses with balance sheet

SOLID WASTE MANAGEMENT GRANTS

RUS Instruction 1775

Purpose

- Reduce/eliminate pollution of water resources
- Improve planning and management of solid waste sites

Eligibility/Priority

- Public bodies and nonprofit corporations
- Pre-applications received from local governmental-based, jurisdictional organizations will be given priority within the available funds

Eligible Grant Purposes

- Evaluate current landfill conditions to determine threats to water resources
- Provide technical assistance and/or training to enhance operator skills in maintenance and operation of active landfills
- Provide technical assistance and/or training to help communities reduce the solid waste stream
- Provide technical assistance and/or training for operators of landfills which are closed or will be closed in the near future with the development and/or implementation of closure plans, future land use plans, safety and maintenance planning and closure scheduling within permit requirements

Ineligible Grant Purposes

Grant funds may not be used to:

- Recruit applications for USDA Rural Development's water and waste disposal loan and/or any loan and/or grant program
- Duplicate current services, replacement or substitution of support previously

provided such as those performed by an association's consultant in developing a project

- Fund political activities
- Pay for capital assets, the purchase of real estate or vehicles, improve and renovate office space, or repair and maintain privately-owned property
- Pay for construction or operation and maintenance costs
- Pay costs incurred prior to the effective date of grants made under this instruction

Pre-application Deadline

Pre-applications, on SF-424.1, can be filed between October 1 and December 31 of each fiscal year.



TECHNICAL ASSISTANCE AND TRAINING GRANTS

RUS Instruction 1775

Purpose

- Identify and evaluate solutions to water and waste disposal problems in rural areas
- Assist applicants in preparing applications for water and waste disposal grants
- Improve operation and maintenance of existing water and waste disposal facilities in rural areas

Eligibility

Entities eligible for Technical Assistance and Training (TAT) grants:

- Private nonprofit organizations that have been granted tax-exempt status by the Internal Revenue Service
- Must have proven ability, background, experience, legal authority and actual capacity to provide technical assistance and/or training on a regional basis

Eligible Grant Purposes

- Identify and evaluate solutions to water problems of associations (group-type organizations) in rural areas relating to:
 - Source
 - Storage
 - Treatment
 - Distribution
- Identify and evaluate solutions to waste problems of associations (group-type organizations) in rural areas relating to:
 - Collection
 - Treatment
 - Disposal
- Assist associations, that have filed a preapplication for assistance, in the

preparation of water and/or waste disposal loan and/or grant application

- Provide training to association personnel that will improve the management, operation and maintenance of water and waste disposal facilities
- Pay expenses associated with providing the technical assistance and/or training

Ineligible Grant Purposes

- Recruiting applications for water and waste disposal loan and/or grant program
- Duplicating current services, replacement or substitution of support previously provided such as those performed by an association's consultant in developing a project
- Funding political activities
- Paying for capital assets, purchase of real estate or vehicles, improve or renovate office space, or repair and maintain privately-owned property
- Paying for construction or operation and maintenance costs
- Paying costs incurred before the effective date of the grant
- Paying for technical assistance which duplicates assistance provided to implement an action plan funded by the Forest Service

Pre-application Deadline

Pre-applications, on SF-424.1, can be filed between October 1 and December 31 of each year.

PROVIDING FAITH-BASED AND COMMUNITY GROUPS WITH EQUAL ACCESS TO USDA RURAL DEVELOPMENT PROGRAMS

One of President Obama's first official acts as President was to create the White House Office of Faith-Based and Neighborhood Partnerships. The Office was tasked at its inception with leading a "determined attack on need" by strengthening and expanding the role of faith-based and other community organizations in addressing the nation's social problems. The guiding principle behind President Obama's Faith-Based and Neighborhood Partnerships program is that all social service providers, including faith-based charities, should be able to compete on an equal footing for public dollars to provide public services.

The President's Initiative calls on USDA to build upon and expand successful partnerships of the past. It demonstrates a renewed commitment to integrating faith-based and other community organizations in agency programs and to allowing faith-based organizations to participate in Federal programs without impairing their independence, autonomy, expression, or religious character. It also asks us to explore new, innovative approaches in providing services involving organizations who may have previously considered themselves ineligible or were simply unaware of USDA's many programs. The President's Initiative dovetails with Rural Development's mission and has the same ultimate goal: to see more people served in the most efficient and effective manner possible.

USDA Rural Development is partnering with faith-based and community organizations to build strong communities. We are committed to helping faith and community organizations learn about and access programs that can enhance their capacity to serve their community.

USDA Rural Development has 14 programs that can help faith-based and community organizations:

- Community Facility Grants
- Community Facility Loans
- Community Facility Loan Guarantees
- Rural Community Development Initiative (RCDI)
- Rural Rental Housing Loans
- Rural Rental Housing Guaranteed Loans
- Farm Labor Housing loans
- Farm Labor Housing grants
- Rental Assistance for use in existing and newly constructed Rural Rental Housing or Farm Labor Housing financed complexes.
- Housing Preservation Grant
- Technical and Supervisory Assistance Grants
- Self-Help Housing
- Distance Learning and Telemedicine (DLT)
- Rural Business Enterprise Grant

The pages in this booklet contain information about the 14 programs as well as other programs offered by the Agency.

Please visit our Faith-Based and Community Initiatives toolkit web site at:
http://www.rurdev.usda.gov/FBNP_Home.html

The toolkit offers a one-stop shop for organizations interested in applying for Rural Development programs and includes supplemental resources, legal guidance for faith and community groups, and contact information.

Non-Discrimination Policy

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

To File an Employment Complaint

If you wish to file an employment complaint, you must contact your agency's EEO Counselor (click the hyperlink for list of EEO Counselors) within 45 days of the date of the alleged discriminatory act, event, or in the case of a personnel action. Additional information can be found online at http://www.ascr.usda.gov/complaint_filing_file.html.

To File a Program Complaint

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Persons with Disabilities

Individuals who are deaf, hard of hearing or have speech disabilities and you wish to file either an EEO or program complaint please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).